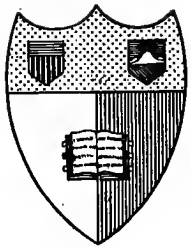

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TRADE ASSOCIATIONS

THEIR ORGANIZATION AND MANAGEMENT

By

EMMETT HAY NAYLOR

Secretary-Treasurer of the Book Paper, Cover Paper, Tissue Paper, and Writing Paper Manufacturers Associations; President, American Trade Association Executives

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To My Father

William Alexander Naylor

PREFACE

Three years ago some well-meaning friends of mine suggested that I write a book on the subject of trade associations. Had I appreciated the difficulty of preparing an initial treatise on the subject that should be at all adequate, I doubt whether I should have had the courage to undertake it. To blaze a trail through untrodden territory always has its difficulties, hazards, and thrills, and the path is apt to be rough and uneven here and there.

But the effort involved in carrying through the discussion in this volume will be repaid if the book aids anyone to catch and to hold the vision of the better and more honorable as well as more successful side of business. Every man has some good in him, and most men have qualities that are noble and fine. Business should develop rather than crush these higher qualities, and the trade association is one important means to this end—to help men not only to fill their pocketbooks and to gain material success, but also to grow hearts and souls, and so gain the greater reward of spiritual happiness.

The original matter for this work was collected with no idea of a book in mind, but to inform myself of the various activities of trade associations in order that I might better serve the members of my own associations. When the book was started, the investigation had to be carried much further, as is indicated in part by the range of the appended bibliography. Much information has been obtained by correspondence and interviews, supplementing the scant material available in printed form.

I desire to express my gratitude to many other trade executives who have patiently suffered my inquiries and

graciously answered them by letters and consultations. Some may think I have omitted matters of importance; everything could not be given but only that which seemed best. As there will doubtless be cause for honest differences of opinion as regards many of my statements, I trust that these trade executives will carry their kindness one step further and give frank expression to any criticism. Constructive discussion is the one sure way of approximating the essential truths of the subject.

I am indebted to Dr. Martha Foote Crow for expert criticisms and corrections, to Morris C. Dobrow for constant interest and valued help, and especially to Henry A. Wise, Esq., whose careful review of this book gives me confidence in the validity of its legal references and facts.

EMMETT HAY NAYLOR.

New York City,
January 3, 1921.

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TRADE ASSOCIATIONS

THEIR ORGANIZATION AND MANAGEMENT

CHAPTER I

THE TRADE ASSOCIATION

Nature of the Trade Association

A trade association is an organization for the mutual benefit of individuals or companies who are engaged in the same kind of business. It is a promoter of co-operative work among persons or companies who manufacture or deal in the same product. It is known by some specific name which designates the industry or business in which its members are engaged. As the membership may be widely scattered, the activities of the association usually extend over one or more states or over the entire nation.

A trade association does not as a rule limit membership to manufacturers alone, but may include wholesalers, retailers, and all classes of concerns that deal in the product of some one particular industry. On the other hand it is sharply to be differentiated from a commercial association as that term is commonly used, or from a local manufacturers' association.

A commercial association is a federation of individuals or companies that manufacture or deal in a *variety* of products. It usually bears some such title as "chamber of commerce," "board of trade," "business men's association," etc. In most cases it has a fixed relation to the city or town in which it is located and its membership is chiefly composed of those who do business or live in that particular city or town.

A local association of manufacturers is not usually a trade association since it is frequently made up of persons engaged in various lines of industry. A trade association is

identified with a single industry or closely related group of industries.

Advantages to the Industry

A trade association unquestionably benefits the individuals of the industry which it represents, and aids as well in the general economic scheme of production and distribution. It gives its members a sense of comparative and relative values which makes for the sanest and most constant conditions under which to produce and market their goods. Just as social welfare depends upon the education and advancement of the individual, so industrial welfare depends upon the development in methods and manner of procedure of each component part of the industry concerned.

In many trades in this country, especially since the World War, the manufacturer, the merchant, and the retailer are beginning to appreciate that they have problems in common and that the success of one depends upon the success of the other. Each group today usually has its trade association, and these associations are beginning to co-operate with one another in a proper way, just as the individuals who make up the respective memberships are doing. By conferring through joint committees and by other arrangements a more stable condition is being produced in the entire industry, which results in good to all, including the consumer.

Price agreements, premium offers, bonuses, rebates, and such bad practices can be properly corrected by a trade association, and while sometimes the process of elimination is difficult, yet as a matter of education it is bound to result favorably in the end.

Mutual Support

The trade association has the duty of keeping watch of such proposed legislation as is inimical not only to its inter-

ests but to the interests of the people as a whole. Too often regulatory proposals are introduced in legislative bodies which are the result of a narrow or single point of view that fails to take into consideration the economic and social factors involved. It is one of the functions of the trade association to see that all facts are known and that whatever legislation is passed is based on a complete knowledge of conditions, never on personal or class prejudices, nor yet on mere well-meaning effort to remove deep-seated difficulties by hasty expedients. Reform in the laws is necessary when based on knowledge but under no conditions should laws be enacted without a thorough hearing of all sides of a subject.

The trade association offers as one of its activities an excellent medium for calling these matters to the attention of business men and of enlisting the aid of Congress or state legislation in supporting or opposing pending measures. No trade association should ever become a lobbying organization; it should merely see that people are duly informed. But it is far better in considering legislation to get the opinion of an association, which is a collective opinion, than that of small groups or of individuals.

The Chamber of Commerce of the United States of America is an example of what can be done in collecting the opinion of the business men throughout the country. Its work, however, applies chiefly to general business and legislation while the work of the specific trade association applies to such business and legislation as affects its own particular interest.

Improvement of Standards

It may be conservatively stated that the trade association is the best means of effecting progressive and wide-spread changes in an industry. In their effect upon the various

hindrances and malpractices of trade the influence of such associations is largely remedial. They do not attempt to eliminate the helpful and necessary forms of competition; on the other hand they offer many advantages through concerted action. By promoting higher standards in business practices as well as in quality of product, and by discouraging or opposing any letting down, they perform a service that no single individual, firm, or corporation could successfully accomplish by any means whatsoever. As ignorance is chiefly responsible for the evil effects sometimes coming from competition, the trade associations keep their members informed about every phase and development of their particular field of activity and in this way they furnish a sensible basis for the production and distribution of their commodity.

The trade association places competitors on a more nearly equal basis, making business success less dependent upon chance and financial power and more dependent upon general merit, quality, and service. More than that, while the association is organized for the benefit of a selective group of men or for an entire industry, it benefits all consumers as well.

Benefits to Ultimate Consumer

The ultimate consumer, who is so carefully protected by the creators and guardians of our laws, is not the victim as some would assert of the activities of trade associations; he is, rather, the beneficiary. Surely his interests are best served when an industry becomes so efficient as to furnish him the highest quality at the lowest profitable price. A profitable price is a continuing price; an unprofitable price is destructive and therefore temporary.

When the consumer can purchase his goods at a figure that precludes the possibility of a selling profit, the seller as well as the whole industry itself is seriously injured; and

sooner or later the consumer must pay for his temporary advantage by either a shortage in the goods and a consequent increase in price, or by a deterioration in the quality. Constructive competition will always keep the price as low as possible, while at the same time it allows the producer or distributer a reasonable profit. It is for the association so to educate its members that they will know what an article costs to produce, and hence will not sell it either for less than cost or for more than a fair profit.

The interests of the consumer are also better safeguarded by the elimination of fraudulent selling, especially through dishonest advertising methods or other misrepresentations of goods. It is generally through the instrumentality of trade associations that these reforms are made possible. It will be recognized that any advantage enjoyed by the industry is bound in the end to be finally shared with the consumer, not so much through any altruistic spirit as through the result of legitimate competition and economic conditions.

How an Association Began

Some years ago, in a certain industry which may serve as a type, there were several mills located in various parts of the country. Each mill was in effect a little castle in itself where the owner was a feudal lord who was ever on the lookout with a keen and suspicious eye for a possible enemy. His salesmen were his knights, whom he instructed to take business at any cost away from his arch enemies—his competitors. He counted it the best kind of business to capture his competitors' trade and customers. His creed was the survival of the strongest and he made a veritable fetish of open, cutthroat competition. To do less was to do nothing, he thought. He had perhaps never met any of his fellow mill-owners; to him they were just unprincipled, scheming thieves, whom he had no desire to know or even to recognize

except as a force opposing his own progress. His competitors thought the same of him and of each other. He congratulated himself secretly, and sometimes openly, upon being a keen, astute business man skilled in the little tricks of the trade. Like his father before him he was noted for his business acumen.

Trouble a Uniting Influence

But a day came when one of these mill-owners—we may call him Smith—got into trouble. He ran short of raw material and could not obtain it at any price. With a contract that must be filled his only way out would be to borrow from his nearest neighbor, who happened to have a reasonably good stock of raw material on hand as Smith had ascertained by simple bribery. The necessity was humiliating but he yielded to it and went to the neighboring mill for a supply. He told of his difficulties and was amazed to find his competitor—almost human. Before he knew it he found himself smoking one of his rival's cigars. As they talked he was surprised to discover that they had problems in common. They discussed these rather guardedly but with enough definiteness to be understood. In the end Smith went away with the assurance that his rival would let him have enough raw material to enable him to meet his contract on time. He had a queer feeling. He had been compelled to break a precedent, a sacred principle; yet he had found his competitor not such a bad fellow after all. He was perplexed. Was it possible that his former enemy had granted the loan out of kindness, or was there some trick in the matter somewhere?

The ice had been broken, however, and after that he met his competitor more often. Then came a strike in the industry and about the same time the prospect of a tariff revision. This matter ended in a meeting of all the competitors. Not a single man there would believe any other

man present, even under oath, but they were each and all in trouble and each hoped to find a way of helping himself out of his difficulties.

Through several meetings they worked together with much suspicion and some friction, but in the end the strike was satisfactorily settled and the tariff schedule at Washington remained as before. When the work was all over they thought it fitting to celebrate the happy ending with a dinner. By this time each of them had learned that the others were not half as unworthy as he had thought. A certain fellow-feeling had been awakened and the old, uncompromising spirit of distrust and suspicion was somehow gone. Some of them actually felt a little friendly toward the others.

Temporary Co-operation—Permanent Organizations

A well-known text says that it is not good for man to be alone. Despite personal prejudices, man is fundamentally a social being. Tribes, communities, cities, states, nations, give evidence of this sociological and psychological fact. And it occurred to a few of these manufacturers that since co-operation in time of trouble had resulted in so much benefit, there might be other problems they could work out together. They decided to come together more often if only for sociability. Later it seemed well to be a little more authoritative in their acts, to have a better defined organization; and so they chose a name, adopted by-laws, and lo, a trade association was born!

At the outset the association failed of the support of some of the competitors, but soon secured a majority and proved well worth while. So many important matters came up that it was decided to establish an office and employ a secretary. At first the members thought of choosing a secretary from among their own number, but fear of possible prejudice on his part led them to select an outside man in

whom they had confidence and who they felt would be perfectly impartial.

More frequent meetings were held. The oftener they met the more they found there was to do. One of the first things they wanted was, of course, to discuss and if possible determine the prices at which they were to sell their commodities. They had a hazy notion, however, of certain restrictions imposed by the federal laws, and feared lest they might inadvertently render themselves liable to indictment. To make sure of that point they retained a lawyer, who advised them at all their meetings just what they could and what they could not legally do.

An Information Service

Eventually their association worked round to the salient principle that if its members were properly informed regarding exact market conditions there was little likelihood that any of them would make a serious mistake in the sale of his product. They learned at once that they could not determine a uniform sales price. But they recognized that the tendency to cut prices and sell below cost usually arose from ignorance of exact market conditions, and that frequently such ignorance could be attributed to information received from unreliable sources.

In order that they might know as definitely as possible what the supply and demand of the market would be they decided to have their secretary compile, at regular intervals, statistics that would show exactly how the market stood. The members severally agreed to furnish to the secretary confidentially the information about production, orders, and shipments that was necessary in order to compose these reports. The secretary was not to make public the private information received from members, but was to issue all statistics in summaries.

Furthermore, in order that the members might give correct information, it was found essential that each one should know definitely what it cost him to manufacture his product. At first a few who had good cost systems showed some of their competitors the principles and proper practice of cost accounting; for they rightly assumed that a competitor who knows his costs is less to be feared than one who runs his business by rule-of-thumb methods. Gradually the industry approached a basis of reasonably uniform costs.

We must not think, however, that all this work of establishing sources of information, a uniform cost system, etc., was accomplished in a few months. Much time was consumed and much talk and urging was required before certain members would consent to give the secretary the desired information. It was not until several years had passed that all the manufacturers of the industry were convinced that they should be members of the association, and not until some time later that all were willing to furnish information or to consider a uniform cost system.

The Record of a Trying Year

The records show clearly what this association, by being correctly informed, did for the industry it represents in one particular year. In many American industries 1915 was a very trying year and it was especially so for the industry in question. But while orders and production fluctuated considerably throughout that year, prices remained uniform. Towards the latter part of the year, as the cost of raw material increased, prices advanced proportionately.

This result was directly traceable to the association, since every member knew exactly when he received his weekly report that he was getting his share of business. Reports of the prices that obtained in raw materials were also carefully observed. Business was indeed poor, but each manu-

facturer knew that he was no worse off than his competitor. He did not fear, as he might have done previously, that someone else was getting his business away from him; therefore he had no inclination to send his salesmen out to sell his product at a lower figure than his competitors. Prices did not decline.

In this case there was no collusion, agreement, meeting of minds, or anything of the kind. Each manufacturer was simply informed as to the exact market conditions and used his own individual and independent judgment. The results as shown by statistics were that, whereas under much less trying circumstances the aggregate industry would probably have lost many hundreds of thousands of dollars through undercutting of prices and ruinous competition, the intelligent co-operation of these manufacturers had saved them between $5,000,000 and $6,000,000. No hard feelings had been engendered and both manufacturers and customers were well satisfied. A year that otherwise might have proved disastrous had ended with a fair degree of success, viewed from the standpoint of harmony, satisfaction, and profits. Nor should it be forgotten that where prices are cut recklessly and where every man tries to undersell the other, the disastrous result is not merely temporary since the industry requires several years to recover from the effects of such conditions.

The association whose experience has been narrated is now one of the many strong trade associations in the United States. Its members are doing many other things of a co-operative nature, such as working together on freight rates, insurance, credits, trade abuses, etc. One result of such co-operation is seen in the fact that not long ago, when a part of the industry was affected by a local strike situation, the competitors in that particular district got together, gave one of their members power of attorney, and appointed him

to handle the labor difficulty for them all, which he did successfully.

What has been accomplished is further shown by a remark of one of these manufacturers. He said: "I used to think that Jones was one of the meanest and most contemptible men that ever drew the breath of life, but since I have come to know him at our meetings and have visited him at his mill, I have found him to be one of the finest men whom I have ever had the honor to know." Men who several years ago would not trust one another even in the smallest matter are now working together, and are not only making larger profits but are working more happily than they ever thought possible under former conditions.

Importance of Trade Associations

There are at present about 1,000 trade associations in this country. They are the result of an economic evolution whose beginnings date from far back in the past. In the last decade their value has been more and more recognized. Their activity, however, as a part of American enterprise in business has only begun. Their development in the next ten years will be one of the most prominent features of our economic growth.

CHAPTER II

HISTORICAL EVOLUTION

The Beginning of the Trade Association

The idea that underlies the trade association is extremely old; the tendency to form such organizations has existed since almost the beginning of the commercial life of man.

The Bible contains allusions to organizations of goldsmiths, apothecaries, and spice merchants. From the tendency of certain trades to congregate in one locality, indicated by references in Jeremiah to "the bakers' street," and in Josephus' "Wars of the Jews" to "cheese-makers' valley," we might infer that then as later the need of meeting common problems led to organization.

In Greece and Rome there were associations of merchants for trade both by land and by sea and a beginning of the organization of artisans into what were known as guilds was made. The romantic pages of medieval history, moreover, are full of illustrations of mercantile and industrial associations in countries as widely separated as England, Siberia, Burma, and China.

Medieval Guild and the Modern Trade Association

In many ways the development of our trade associations has followed practically the same lines as the early growth of the guilds of medieval Europe—those of England, for example. While, however, the same motives prompted the formations of the earliest of both of these types of associations, their later growth is distinctly divergent. The spirit of good-fellowship is common to both, which shows that the importance of holding together the co-operative interest of

members is just as necessary today as it was centuries ago. On the other hand, as the old guild progressed, monopoly, self-interest, and exclusiveness were intensified; whereas the modern trade association accentuates democracy, breadth of vision, and a spirit of general service to the community at large.

There were two classes of guilds in England—the "guild-merchant," representing traders, and the "guild-craft," representing artificers, producers. For the purpose of self-protection membership was made exclusive and the number of persons who could join an organization was strictly limited. Because of the regard in which the guild indorsement of quality and product was held both classes had virtual command of the market.

The "guild-merchant" was a trade organization of "masters" among the merchants, each important class of which had its own guild. The membership was made up of traders and dealers, i.e., buyers and sellers. It is in this sense that they assumed the name of "masters." No commodity could be purchased by a consumer from the maker, nor could such goods be sold by anyone other than a member of the particular "guild-merchant" who dealt in such commodity. Those old guild members had a fine, paying monopoly.

The craft guilds were associations of producers, i.e., of artisans, or craftsmen. Woe betide the man who was trying to ply his trade outside of one of these guilds, for he had not the slightest chance! But on the other hand the rigid rules of membership of these craft guilds and their exacting system of inspection produced a high standard of workmanship. It is an interesting thing to look back upon old ironwork, furniture, pottery, and books, to see the marks or the stamps of these guilds, which served the same purpose in those days as does today the mark of "sterling" on silver.

Rigid Supervision of the Guilds

The guilds had a definite system of training, so that the artisans or workmen of any kind were sure to keep up the quality represented and required by the particular craft. A most careful subdivision of industries, trades, and crafts was enforced to prevent any guild member from encroaching upon the field of another. Each man was limited to his own specific calling and was prevented from handling too wide an assortment of goods or from making too great a variety of products. The Rev. J. Malet Lambert points out in Chapter XXXIV of his "Two Thousand Years of Gild Life" that "allied trades were originally confined to their own departments; no carpenter could do the work of a joiner or shipwright; no cobbler could make shoes." Not much difference in this from our trade unions!

The Guild and Municipal Organizations

As time went on the guild became more and more identified with a municipal organization. This was for purely selfish purposes, in order to enforce price regulation through the medium of local government. Dr. Edwin R. Seligman in his book on the medieval guilds of England describes this phase of guild regulation as follows.

> Under the supposition that the interests of the whole community could best be served by avoiding the danger of unrestricted competition, the government interfered to ordain periodical enactments of reasonable prices—reasonable, that is to say, for both producer and consumer. Tabulated tariffs and financial regulations of all things from beer to labor filled the statute books.

Effects of the Guilds

From what has been said about the exclusiveness and the monopolistic tendencies of the guilds one must not infer that, in spite of their arbitrary character, they did not do

very much to help develop industry and trade. New industries without the protection of these old organizations would in those days have had great difficulty in keeping up the struggle for existence. The guild enabled them to thrive and flourish. The guild also improved industrial processes. Most of all, perhaps, the individual skill and training which they insured meant much to medieval civilization. The sympathies and interests of the guild members were generally confined to their own town, and therefore their outlook was of necessity narrow and limited; still it was quite abreast of the standard for that period. It must be remembered that at the time the guilds were at their height learning was confined chiefly to monasteries and a few of the leading laymen, while the general education of the people was low. Hence organizations of this kind were most essential for the purpose not only of educating but of protecting the people within their own particular crafts.

Nevertheless in protecting themselves the guilds were heartless in their relation towards others, and they were instrumental in producing much of the poverty and general lowness of life which were wide-spread during the latter part of the sixteenth century and through the seventeenth.

The End of the Guilds

As the guilds became more and more domineering and tasted the fruits of power through municipal authority, they began to lose their commercial nature and to become a body politic. Then they lost their significance as trade organizations and became purely a means for promoting private and monopolistic interest. The "liveried companies" of London, the great guilds of the city each of which wore its distinguishing livery or uniform costume, are an illustration of this trend towards trade plutocracy.

During the seventeenth century the guilds began to lose

their grip. They were not dead, but their power steadily diminished. Then at the end of the eighteenth century came the flood of inventions, the introduction of the factory system, and the consequent downfall of the guilds. With the introduction of the factory system quality was sacrificed for quantity, and the thing most desired was a good price rather than a good product. Thus the purpose for which the guilds had existed for several centuries was weakened, and in a short time it was obliterated.

How Guild and Trade Association Procedures Differ

The guilds, wielding almost absolute authority, were able to enforce their wills through a system of regulations and penalties, checked up by most careful inspection. The modern trade association seeks to achieve the same results through educating both the producer and the consumer, instead of penalizing them.

The price-fixing functions of the old guilds persisted in the earlier American pools. Under this system the attempt was made to fix prices much as under the ancient guilds but the people soon found that this method was economically unsound. Later on it came to be recognized as illegal also.

Instead of bringing about reasonable prices by means of force as the old guilds did, the modern trade association seeks the same end through encouraging an accurate knowledge of costs and market conditions on the part of the manufacturer or distributer. This results in the elimination of unintelligent and ignorant underselling, in the place of which we have intelligent rivalry, not so much in price as in quality. Thus in the modern trade association reasonable profits are assured through individual intelligent action, and quality is assured through constructive competition.

The old guild throttled the individual initiative and self-expression of every one of its members. A member simply

had to do as the will of the majority required. If the majority-will was pernicious and destructive, he was nevertheless helpless. In the modern trade association every member develops his business by his own standards and retains perfect freedom of self-expression and initiative. This method brings about much more satisfactorily and permanently the selfsame results that the guilds tried to enforce through regulation and penalties.

The Pool

The introduction of the factory system so enormously increased the amount of competition that there was a consequent and natural dwindling of profits. The question that producers and distributers then had to consider was: How could prices be maintained—prices which allowed producers and distributers a fair profit—when the buyers were comparatively few and the competitors altogether too many? In the United States the pool, regardless of its unsound economic principle, was the most convenient arrangement that suggested itself.

As a step between the old guild and the association this scheme of maintenance of price and profits is interesting. There were three ways in which these pools could secure increased profits for their members:

1. By limiting the available supply.
2. Through agreements to maintain a fixed price, regardless of demand or supply.
3. By the establishment of local monopolies thus controlling the distribution of a product through a given territory.

Of course there were modifications and combinations of these principal methods, but they all led to the same result. A common type of pool was an arrangement for the division

of profits before the profits were made. The well-known whiskey pools are examples of this type.

It is obvious to the most casual observer of basic business principles that the scheme of the pool was fundamentally unsound; it offered all kinds of temptations for men to violate their agreements regardless of the penalties imposed for breaches of trust. And since the pools were unsound and unhealthy they had a short and somewhat unsatisfactory life. They represent, however, in connection with our present study, the parting of the roads. One path leads to private combinations; the other to representative trade associations.

Early Trade Associations

During the period when the pool flourished and declined in the United States a number of organizations were operating under the name of trade associations. Though most of these were nothing more nor less than pools, some few were tending in a different direction. While the element of monopoly was not altogether lacking even here, some of these associations exhibited new traits which were sounder and more constructive. They were trade-building organizations which attempted to improve conditions in the industry as a whole. The means which they used, however, were decidedly questionable. Eventually, and quite properly, these means were regulated by law.

Monopolistic Tendencies in Certain Early Associations

Long before the passage of the Sherman Anti-Trust Act the statute books of most states contained laws that forbade conspiracies in restraint of trade and interference with free and unrestricted competition. Under the Federal Anti-Trust Act of 1890 covering conspiracies in restraint of interstate commerce, the Attorney-General brought several of these early associations into court. Among the first cases was that of

the Coal Dealers Association. The government claimed that the coal dealers were fixing prices and maintaining a higher scale of rates for non-members, and the association was temporarily enjoined.

Then came the case of the United States against the Eastern States Lumber Association, in which it was claimed that the lumber association was restraining trade through the instrumentality of a black list. The association was enjoined from the circulation of such a list.

Wheeler Stenzel v. the National Window Glass Jobbers Association was an interesting case. It was held here that the association attempted to select customers and to fix prices and output. This was a violation of the seventh section of the Sherman Anti-Trust Act, and it was decided that although the association had a right to select customers it did not have the right to fix prices or output.

Most of these associations were merely local organizations which were in a position to control production and sales in their particular field. As their membership was small and their activities arbitrary they were not in the least representative of the national trade associations of today.

Trade Associations Proper

By this gradual evolution, through the guild, the pool, and the early trade association, we come at last to the trade association of today. The present trade association follows a different line from any of its predecessors and conducts its work without any intention or attempt to exercise monopolistic or restraining powers.

The Development of Trade Associations Proper

As the trade association proper, at first small and local, realized the geographical limits of its activities, it began to grow and to absorb other associations in the same industry

until finally it became an organization of national scope. The local associations still survived to look after the interests of their specific industrial community, but they realized that if any effective work was to be done they must have broader connections. The work of co-operating for a common end was henceforth conducted by state and district associations. This broader form of trade organization did not necessarily eliminate the others, but rather supplemented their effectiveness. The state association was merely a step to the national organization.

The stages of transition from the medieval guilds to the trade association of today parallel the progress of civilization as people became more educated and thus more prosperous—as government improved, as inventions came, and as means of transportation and communication extended themselves over the country and over the world. There is no longer any place for a small, narrow, local organization which does not form a part of a great, national body. Every industry in this country, although sectional as regards the locality where it is situated or whence it draws its supplies of raw materials, is nevertheless national in its distribution and therefore must of necessity be a national organization. The national trade association as it exists in America today is of course a very recent growth. An interesting forecast of it was given, however, in the English work already referred to, Lambert's "Two Thousand Years of Gild Life." He has raised the question of the possibility, under modern conditions, of some organization which could fill the place of the old-time guilds. He continues:

> The enormous difficulties of the task will better be realized by asking ourselves what form of an organization would have to take place today which would reproduce a system as complete and effectual as that of 300 years ago. In consequence of the practical unity of each trade over vast

areas, as governed by the rapidity of communication and the markets of the world, the isolation which made it possible for each to be self-contained in each town must give place to wide-spread national and even international associations in which the local trade societies would occupy their several places in a system of federation. Each trade or manufacture must be sufficiently fixed and stable in its products and methods of production as to be capable of having its procedure reduced to general rules.

Development of National Trade Associations

The first great national trade association in the United States was the United States Brewers Association, organized in 1862. The Carriage Builders National Association was founded in 1872. This association has maintained for years a trade-school in New York City. The American Paper and Pulp Association dates from 1878; the Laundrymens National Association of America from 1883; the National Association of Brass Manufacturers from 1886; the National Wholesale Lumber Dealers Association from 1894; and the National Association of Retail Grocers from 1896. These are still among the most important and flourishing examples.

Trade associations in this country have only begun to realize their possible usefulness and influence. The next few years will doubtless see a growth, improvement, and standardization of these organizations which will mark a definite phase in our national economic development.

In the discussion of the early American pool it was pointed out that trade groups were then hesitating at the fork of the road. On one hand lay the broad and alluring highway with its unforeseen pitfalls leading to private industrial combination, and on the other hand the straight and narrow path ending in legitimate trade-building. The trade groups that followed the less tempting of the two roads developed the association as it exists today. Their progress, however,

was not the result of a sudden transformation, but was rather a slow and gradual change of view.

The early associations, whatever their mistakes might have been, were the leaders in "blazing the trail" to industrial improvement. Gradually law and experience forced them to operate within their proper sphere and limit. The trade associations of today, with scarcely an occasional exception, appreciate and observe scrupulously their legitimate limitations and functions.

The Spread of the Trade Organization

Although statistics are sometimes employed to gauge the importance of the growth of a trade movement this method cannot be applied in connection with trade associations. The industry that can boast of the greatest number of associations is not always the one best organized. Some of the most efficiently organized industries have but a single organization that is national in scope, with an orderly system of district and local branches. In other fields where conditions are less regular many organizations exist coincident in scope and purpose. There are, however, in this country at least 200 important national and interstate associations few of which overlap each other.

Unfortunately the most authoritative sources fail to yield a complete list of associations. The list given in the back of this book is as nearly complete as possible. As the movement is constantly developing no list which is made up today will long remain complete, but it can at least be accepted as indicative of the trend of the times.

There is a distinct challenge to these trade associations to build carefully and thoroughly in the work which they can do, for in proportion as they become more nearly perfect so will our industrial life become more prosperous and our nation more commercially secure and more nearly supreme.

CHAPTER III

COMPETITION AND CO-OPERATION

Co-operation as Old as the World

Human nature has a short memory and therefore is prone to brand as "newfangled" some things that are as old as the hills and as solid. That is the way some people look at co-operation. They and their fathers and grandfathers have viewed business solely from the angle of unchecked, destructive competition, and it is impossible for them to realize that co-operation rather than destructive competition is the law of life.

Competition when unchecked is bad and in the long run self-destructive. Modern civilization has decided that certain bounds, restraints, rules of the game, must be set and respected. But competition thus controlled implies—even necessitates—a considerable degree of co-operation, even among persons or agencies whose interests are directly competitive.

In the Animal World

Animate nature when superficially examined appears like an immense battlefield where nothing is to be seen but destruction. Birds of prey hunt gulls, gulls feed on fish, fish devour smaller fish; thus goes on the struggle for existence. But deeper knowledge of animals and plants reveals equally the relation of mutual aid, or co-operation.

The bees have many enemies; their honey has many ruthless admirers in animals of every sort from the beetle and bear up to man. Yet, by working in common, these industrious little creatures multiply their individual forces; by resorting to a temporary division of labor combined with the

capacity of each bee to perform every kind of work when required, they attain such a degree of well-being and safety as no isolated animal can ever expect to achieve however strong or well armed it may be. In their combinations they are often more successful than highly developed man when he fails to take advantage of well-planned mutual assistance.

In the case of the ants, as Forel has pointed out, the fundamental feature of life in many species is the obligation to follow co-operation. An ant-hill, superior in relative size to much that man has accomplished, with its paved roads, vaulted galleries, spacious halls and granaries, harvesting and "malting" of grain, rational methods of nursing the eggs and larvae, building special nests for rearing the aphides which Linnaeus so picturesquely described as "the cows of the ants"; is one of the finest examples in nature of mutual aid and the beneficent results which follow.

In these exceptional instances the co-operation found in the animal world is continuous and elaborate. There are numberless cases, however, with animals of widely varying types, of partial and temporary co-operation to attain specific objects. The birds slowly move southward as the winter comes, or gather in numberless societies and undertake long journeys. Many rodents gather in large villages in order to obtain the necessary protection when at work. The reindeer, when the lichens are dry in the interior of the continent migrate toward the sea. Buffaloes cross an immense continent in order to find food. Beavers, when they grow numerous on a river, divide their settlement into two parts and go, the old ones down-stream and the young ones up-stream, thus avoiding competition.

Work for Existence

What we think of as the struggle for existence in the animal world might be described more truthfully as the law

of work for existence. Self-preservation demands constant effort. No living being may with impunity neglect work. But the law of nature which enjoins work for self-preservation can be fulfilled in a better way than by destructive competition with other individuals. In the great struggle for life—for the greatest possible fulness and intensity of life with the least waste of energy—natural selection continually seeks out ways for avoiding destructive competition as much as possible.

Many animals store food or fall asleep as the season comes when destructive competition, or struggle for existence, should set in. And when animals can neither fall asleep nor migrate, nor lay in stores, nor themselves grow their food like the ants, they do what the titmouse does, as Wallace in "Darwinism," Chapter V, has so charmingly described: they resort to new kinds of food and thus avoid competition. Kuropatkin made a study of actual struggle for existence among animals in the severe regions of northern Asia. The animals which emerged alive from the ordeal were "impoverished in vigor and health." From this he reached the conclusion that no progressive evolution of the species can be soundly based upon periods of keen and destructive competition.

The teaching of nature, in fact, from the forest, the bush, the river, and the ocean, is that competition without co-operation is destructive and fatal; co-operation in some form or other is undoubtedly the surest means for giving to each and all the greatest safety, the best guaranty of real progress.

It is by following this lesson that man has reached the position upon which he now stands socially and industrially. Every human being is a member of society, and society has come to be what it is only by mutual aid among its members. As soon as a member of society wages war upon his fellow-members society itself is brought into a state of confusion.

The disorder which thus arises is harmful to all its members as well as to the one who started the trouble. The interests of the individual, accordingly, compel him to avoid strife where it is possible and instead to seek safety in mutual aid or co-operation.

The New Attitude of Business

In the minds of those familiar with present economic evolution and development in the business world, there is no question that co-operation is being recognized more and more as fundamental. In economic life, as in the life of nature, men have been discovering through experience that it pays to work together.

The modern trade association is one result of the business world's realization that unrestricted competition is unnatural and fallacious and that constructive, intelligent competition, together with studied co-operation, is not only desirable but essential to industrial welfare. Men have long supposed, as shown in the preceding chapters, that competition was the life-blood of trade and that it was necessary to be piratical and heartless to succeed. Now it is recognized that competition is simply a tonic, whereas the life-blood of trade is co-operation. The old conception was that industrial success was built on the failure of others; the new conception is that every failure in an industry is felt disadvantageously by every member of that industry and by the consumer as well, and that the temporary profits enjoyed by the victor generally cannot offset the damage and retrogression suffered by the industry as a whole.

Destructive Competition—Lower Standards

Experience shows that unrestricted competition produces far more harm than good. Business men should match their wits and skill in order to produce better goods and sell them

for less money, but when a man is working as an individualist without appreciating his inevitable relation to others he naturally thinks his own thoughts and becomes selfish. He is apt to have his broader vision obscured by immediate and petty inclinations. Too often the result is that in order to win, that is to lessen the cost of production and thereby to be able to quote lower prices, he makes himself liable to charges of short weight, poor workmanship, adulteration, or substitution.

Abstractly this man would admit that any one of these practices is wrong and injures his business irreparably. But the constant strain of destructive competition so wears down his business standards and his sense of ethical values that eventually he finds, or other people find, that he is engaging in practices which in the beginning he would have condemned most severely.

Eventually every manufacturer under vicious competition must feel the effect of such warfare. A few years ago in a certain industry there was a three-cornered fight between the manufacturers of a certain article. One of the factors had large capital behind it and endeavored to eliminate the other two, but in the process of elimination the quality and service as given by each was so inferior that the public rebelled and refused to purchase the article at all and the industry nearly went to pieces. After this the fight was discontinued and the three factors agreed to stop their destructive practices. It took the industry several years to win back the confidence and good-will of its former customers. This instance of destructive competition lost the industry millions of dollars and did no earthly good because the effort was entirely selfish and contrary to fundamental economic and natural laws.

It is wrong to name lower and still lower prices until profits dwindle and disappear and goods are sold at or below

cost. All parties concerned in such competition are desperate and are forced to meet the tactics of others. One wrong produces another, with the result in the end of either an illegal combination or a financial failure. The former is as fatal as the latter is final and the competing parties are not the only ones who suffer. The ultimate consumer, who during the process of such destructive competition may seem to be gaining an advantage, in the end either loses his goods through the failure of some producer or is forced to pay a high price in order to allow the producer to recoup his losses.

Destructive Competition—Injury to Industry

We seldom hear of the business failures which result from price warfare. It is a great deal like the news that we get about dealings in stocks; the man who makes money is always ready to talk about it. The statement that business failures eliminate the unfit may be true in some cases but it sounds too much like the old Spartan method which practiced the killing of all children who appeared to be physically unfit.

Just as the principles of eugenics, that deal with the cause, are more practical than this Spartan method of dealing with the effect, so the principles of co-operation are much better for helping new and smaller companies to get on their feet than the theory of killing them off through destructive competition. If business failures were the result solely of incapacity the rule of the survival of the fittest might be justified, but bankruptcy too often is not a reflection of incapacity but rather of financial weakness.

Moreover, while the concern that is least able to withstand the ravages of destructive competition may be the first to succumb, every business failure within an industry is a blow to that whole industry because competition which brings

out failures often kills off the strong as well as the weak through a blind disregard for their relations. In the industry the small producer is often just as necessary a link in the chain as a large producer, and since a chain is no stronger than its weakest link, the weak may cause the downfall of the strong.

In the canned goods industry several years ago, before laws corrected the practice of adulteration, competition had forced some of the weaker and smaller manufacturers to put unfair goods on the market. This caused a scandal which was taken up by the newspapers and which reflected upon the entire industry. It almost ruined the sales of the large companies who were making reliable goods but who had succeeded in forcing the small and weak manufacturers to bring about this landslide of condemnation upon the entire product.

Not long ago the automobile truck manufacturers in this country were conducting a war of elimination with the hope that all trucks in the United States would eventually be made by three or four companies. Thereby they were seriously hurting themselves in the eyes of the public. A small company, let us say, makes 500 trucks and sells them. Because of destructive competition and limited capital this company is forced out of the market; hence the owners of these trucks are not able to get the needed service or repair parts, with the result that they are disgusted with the use of an automobile truck. Let twenty-five companies be affected in this way and it means that from 3,000 to 5,000 users of automobile trucks are convinced through experience that trucks are more expensive than practical. The large manufacturers failed to realize that they really were competing with the public as well as with the small producers of trucks and the public is very sensitive to a tax upon its ideas of convenience and service.

Intelligent Competition

This is a fair example of why destructive competition that produces business failures not only should be avoided by manufacturers but through co-operation should be entirely eliminated. Fair and open-price trading and educational plans that improve the quantity and quality of production will accomplish far more in business betterment and individual prosperity than the old system of scalp-hunting.

Competition should be more intelligent and effective than the selfish striving of several men to get business away from each other. It should be the intelligent friendly striving of man with man to increase the total production and thus obtain results which will benefit all, while each producer takes his share of the increased business according to his relative capacity. *Competition at all times should be based on quality and service and never on prices.* This is not a theory or an Utopian dream; in many instances it has been made a fact that has brought greater prosperity and happiness to all. It is the basis of the modern business man's philosophy of service. It is the application of the law of nature.

Fair Competition

The new competition, new only in the sense of having been recently recognized by the majority, does not take away from business the elements of interest and stimulus. It encourages the keenest kind of effort. But the effort and competitive struggle must be in the open. The new competition begins when the trade association develops conditions both physical and mental that tend to eliminate secret charging on the part of competitors.

The Trade Association and Fair Play

The new competition avoids both extremes, the false competition based entirely on secrecy and secret prices,

whereby certain sellers in collusion with certain purchasers have the advantage over other sellers who are kept in the dark; and just as much the suppressed competition which is based on collusion or fixed prices, where the sellers in combination have a merciless advantage over the purchaser who is in the dark. The new competition is based simply on frankness of procedure and open prices. The bidder or seller and the purchaser deal frankly on an open footing of equality with each other and know exactly what is taking place. Just as the old competition required secrecy and collusion, the new competition, as represented through trade associations, requires both close knowledge of the market and straightforward dealing.

A trade association, as an exponent of open and fair competition, requires free disclosure among the competitors making up the membership of the association, of information regarding such work as is on hand, all elements entering into its cost, and the terms and conditions upon which it is being done.

Undesirable trade practices which may have developed in the past are eliminated by mutual agreement. All bids actually made on any particular piece of work are disseminated or discussed. Conditions that concern the general welfare of the industry are also taken into consideration. Standards are set up and everything possible is done to benefit alike the producer, the distributer, and the consumer of the commodity which the association represents. In a word, the objects of the new competition, working through the means of a trade association, are to change the conditions which lead to cutthroat policies and to establish the manufacturing or merchandising activity of the industry on a sound and straightforward basis by the adoption of uniform practices and open and fair prices. Old impractical prejudices and practices must give way to this better method.

Competition that Is More Intelligent

This new competition, based on studied co-operation and taking into consideration everyone who has anything to do with a commodity, is not something to be sounded from a pulpit but rather to be practiced in actual business. Not so many years ago the crafty trader was considered the successful merchant. Misleading statements, unfair advantages, underhand practices, and sly tactics comprised his stock-in-trade. Under this system the price asked was generally far above what the seller expected to receive and the quality ordered was seldom the quality delivered. The purchaser by seeking unfair concessions encouraged misrepresentations, just as the seller by degrading his product invited unreasonable offers. Even if the buyer discovered that an inferior grade had been substituted for the article offered, he would have been assured of no better treatment elsewhere. The result was that buyers and sellers had little confidence in each other and were always suspicious and on their guard. Suspicious of being deceived, they had little scruple about deceiving. Under such conditions honest dealing was discouraged; it was considered a weak kind of trading, and business came to be regarded as more or less a dishonorable pursuit.

Today business has been elevated to a higher standard and the sly trader is generally discountenanced. With the best intentions, however, the business man cannot always afford to stand alone in the introduction of fairer and cleaner ethics. If he is supported by others in his field much difficulty and actual loss is avoided for all concerned. Co-operation is necessary, and co-operation can best be expressed through a proper trade association.

The Public Interest

The association, which stands for the new competition, is squarely opposed to brutally competitive methods. The

trade association says that no man has the right to give away any goods to injure his competitors, or to sell goods at less than cost in order to injure his competitors, or to sell goods in such a way—as, for instance, by giving bonuses or some similar device—as will injure competitors. Much of this has been prescribed by law, simply because some men could not appreciate, without being forced to do so, the economic advantages of right dealing.

Finally, the trade association should take account also of the interests of the consumer. That fact should be considered by every trade association in outlining its fundamental policies of procedure. A trade association of retail dealers, for example, should have as prime objects the enforcement of pure food laws; correct weights and measures; sanitary and hygienic conditions; fair, frank, and straightforward competition; plainly marked prices; one price to all; frankness of statement as regards goods; no sales below cost; and no untrue advertising or statements.

Better Business

The objection which is raised by the old-fashioned business man to the above suggestion of an association that includes the consumer is the threadbare one, "What's the use? Father never did business that way! Why should I include my customers in my deliberations? They are all the time trying to get the best of me and never thank me for any favors I do for them. Why shouldn't I charge what I think a right price and let it go at that?"

A man who argues in that way would be insulted if you told him he was advocating the ancient trade practices of lying, bartering, and scheming, not perhaps on his own part but on the part of some of his competitors, to get the better of the ultimate consumer. Business is not done that way nowadays, and such arguments are completely smothered

beneath the moss which they have collected. With any commodity, from the producer of the raw material to the consumer, everyone along the line should be willing to do his part to see that all get a square deal and a fair price.

Business is gradually moving in this direction through the assistance of the better trade associations. It is not vain to hope that the day is not far distant when the archaic methods and destructive practices of the old school of business will have been abandoned if not forgotten. You cannot change human nature, especially in a generation; but progress takes it steadily towards a higher level of business ethics.

It is towards this goal that every trade association should strive, as an agency to assist business to practice the basic principle of mutual aid or co-operation by encouraging honest competition and discouraging everything which makes for lower ideals and smaller prosperity. Progress can be brought about most quickly and most fully through a first-class trade association which exists primarily for the purpose of building a bigger and better industry, not only for the immediate welfare of the men who comprise it, but for the permanent advantages and benefits to all—producer, distributer, and consumer.

CHAPTER IV

TYPES OF ASSOCIATIONS

Mutual Trouble a Uniting Force

The history of the older trade associations in this country does not show that any were organized purely because of a general appreciation of the desirability and possibilities of such an alliance, but rather because of the necessity to meet some common contingency, as for instance—to cite it again —the crisis that caused the conversion of our friend Smith. Common difficulties or troubles on the part of manufacturers or merchants have for the most part brought about their union in a common cause, perhaps for a quite temporary object. The outcome of such unity of effort, however, is very often the organization of a permanent trade association.

Example of Amalgamation

The recent war and the requirements of the War Industries Board were the direct cause of the alliance of a great many of these associations of previously unacknowledged relationship and their concurrence about matters of common interest.

For example, in the paper industry when the government thought that it would be necessary to take over all the chlorine for war-gas purposes, every industry connected with the production of the printed page was affected. Chlorine is necessary for bleaching purposes. All white paper is more or less bleached and none in the industry cared to deal in an unbleached product for writing and printing. Therefore the producer of pulp, the maker of paper, the converter of paper,

the merchandiser, the printer, and the stationer united in presenting their claims before the War Industries Board. Fortunately, the signing of the armistice made definite action unnecessary; but the point to be noted is that when a matter came up which affected them all every branch of the paper industry was made to realize that in some things they certainly had interests in common.

To Eliminate Bad Practices

Very often, however, trade associations are organized for the purpose of correcting some internal trade abuse rather than for meeting an external condition. There is not an industry in this country which has not within itself some undesirable practice that should be reformed, or which does not have to operate under some legislation that should be corrected.

In the founding of the Eastern States Retail Lumber Dealers Association we have a good illustration of an industrial exigency that has caused the formation of an association. It was a rather prevalent custom in the lumber industry for wholesale dealers, after stocking the retail dealer, to discover the retail dealer's local customers and sell directly to them. The wholesaler, of course, was able to offer prices with which the retail dealer could not possibly compete and so the latter was deprived of his business. The retail lumber dealers, threatened with extinction, felt that some defensive effort must be made on their part if they were to remain in existence. Eventually, and as a result of their endeavor to meet the common exigency, a permanent organization of retail dealers was formed.

The retailers, of course, had a legitimate right to exist. They constituted a necessary step in the process of distribution and could do things which the wholesalers could not do, or could not do so well. By getting together, the retailers

were able to present their case adequately and to put their business on a sound and lasting footing. In this way, the original cause for organizing has been fully and satisfactorily met, and the association is now going on to correct other trade abuses and to do work which was undreamed of in the beginning.

An even more striking instance is afforded by still another group of retail dealers. Confronted by a demoralized market through malpractice in selling methods, these dealers organized themselves into an association in the hope of remedying conditions. Prices below cost were about to put them all out of business and to deprive the consumer of his most useful source of supply. In their desperation this group of retail merchants became panic-stricken and without regard to law or reason they agreed to maintain certain prices, which led properly to a federal injunction. The point to be noted is that their association, however, survived the injunction. The merchants who had gone into it had come to recognize the advantages of a trade association that should operate within legal limits, and therefore they kept the organization intact. Today it is a successful association fulfilling various functions and above all still meeting its initial purpose by means of an educational campaign.

There has been no uniformity in the initial causes of the organization of the older trade associations. Like "Topsy," a great many of them just grew, and the rest found their beginnings under circumstances so nebulous and indefinite that the direct reason or source of their origin is not obtainable.

New Associations

Today the situation is changing. A number of the trade associations recently organized or now in contemplation have had their inception through the observation on the part of

manufacturer or merchant of the successful working of an association in some other line.

With so many impressive illustrations of successful trade associations to pattern upon it is not difficult today for trade leaders to plan an association definitely along recognized lines. Through a direct organizing campaign they can rouse the interest of the manufacturers of an industry, educate them in the advantages of co-operative effort, and create their association. The National Harness Makers Association employs a professional organizer who travels throughout the United States, visiting sections in which there are a number of harness makers. By means of a correspondence campaign these manufacturers have been informed of the existence of the national association and the many benefits of membership therein. They have been advised further of the day on which they may expect a visit from a representative of the association. This representative brings together the various local representatives of the trade and they discuss the formation of a local association. Usually his efforts are successful.

Because of the large number of trade associations now in existence and their wide diversity, sharp lines of classification are not easily drawn. For convenience we may here group them in three ways, according to:

1. Industrial scope
2. Geographical extent
3. Legal form

1. Industrial Scope—Associations Covering Entire Industries

The effort to cover the entire field of an industry might well result in an association which would be so large as to be unwieldy. For instance, it would be impossible to have a national association which would serve in detail every branch of the lumber industry. It could be done, but the result would not be practical or satisfactory. The organiza-

tion which would have to be formed would be so large as to be top-heavy and impersonal, and could not give the members the individual attention and assistance which are required for enthusiastic support. Instead there are a number of smaller lumber organizations representing special lines, for example, the Northern White Shingle Manufacturers Association. In some other industries, however, there are associations which represent the entire industry, such as the National Canners Association, the Heavy Hardware National Association, the National Metal Trades Association, but even these have their divisional branches for direct personal service.

Special Associations

A majority of trade associations limit their work to their own part of an industrial field, each being a representative of some branch of the industry or of a subdivision of the trade. When we realize that this is an age of specialization, we need hardly be surprised to find the vast number of distinct trades which exist today. To concentrate on the production of one article alone and thus by quality and quantity to create a business as great as some of the general industries of former days is a sign of the times. The manufacturer whose former output included all kinds of boxes and packing cases now may make only cigar boxes. The continual subdivision of what was formerly a general industry has necessitated the formation of organizations to correspond to the new groupings. The existence of the Western Cigar Box Manufacturers Association is a pertinent example, while another illustration is the Tampa-Havana Cigar Manufacturers Association.

Producers and Distributers

That industry includes two important operations, production and distribution, is one of the fundamentals of

economics. Sometimes the producers of an article think that they alone represent the industry, while they are in reality only a part of it. The activities of all general allied or specialized industries may be divided into three groups; those of the producer, of the jobber, and of the retailer, each of which may have its own association; for example: the American Hardware *Manufacturers* Association, the Southern Hardware *Jobbers* Association, and the National *Retail* Hardware Association.

The manufacturer, the jobber, and the retailer have much in common to unite them in one so-called "general" organization. On the other hand, there are a number of reasons why they should maintain in addition several organizations to represent the separate interests of each factor. They are thus better able to take care of their own particular problems and to work intensively rather than extensively. A smaller group can better co-ordinate its efforts than a larger group, and the individual always appreciates personal attention which he cannot get in a big association. No man likes to receive mimeographed letters when he can get personal responses and service from the secretary of a smaller association.

Interrelated Associations

It is most desirable, on the other hand, that these separate associations which are component parts of a general industrial group should in some way be related and united, so that when some matter of general interest arises they may all practice what they preach to their members by co-operating as associations among themselves. Particularly when an association represents an industry with many ramifications and independent interests it is generally found desirable for each set of interests to be drawn together into small trade associations, and for the small trade associations to be members of a large co-ordinating national association. In other

words, the group associations are made up of the individual manufacturers or merchants with particular and common interests; whereas the large, national, industrial association may be made up entirely of group associations. By having the executive committee or board of directors of the collective association composed of the presidents of the various group associations, a co-ordination is brought about and the industry is thus unified and in possession of an organization which represents it in all matters of general common interest.

The American Paper and Pulp Association represents the entire industry. One of its members is the Tissue Paper Manufacturers Association, representing only tissue-paper. Some of these manufacturers who make or convert toilet-paper are members also of a Toilet Paper Converters Association.

Allied Lines

Sometimes the interests of many allied lines of business are almost identical. The National Paint, Oil and Varnish Association represents a collection of manufacturers or dealers in such varied lines as have to do with painting and finishing. Likewise the National Cloak and Suit Manufacturers Association is an organization of people who are interested in the production of various articles for personal use.

And so, where there is a unity of interest in any particular allied lines of an industry, a trade association is formed. This is simply another evidence of the fact that where there are common problems to be met there is a tendency to unite and co-operate.

2. Geographical Extent

The large national trade associations often contain smaller organizations which are distinctive only in their

geographical limitations. That is to say, the industry they represent is nation-wide; but a number of firms engaged in the industry in some section of the country will organize an association which is especially representative of the industry in that section. The general associations have their national headquarters, and their various branches have offices in different parts of the country.

The National Paper Trade Association is an example of a national association with geographical classifications. Its membership is made up of the New England Paper Merchants Association, the Northwestern Paper Merchants Association, the Pacific Coast Paper Trade Association, and other associations representing the paper merchants in particular territories.

The National Metal Trades Association is another national organization, which conducts district offices in Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, Ohio, Indiana, Illinois, Mississippi, Michigan, Wisconsin, Minnesota, Georgia and even Canada. In this association each branch office operates directly as a department of the national body; whereas in the National Paper Trade Association and other similar organizations each association operates independently in dealing with its own problems, but co-operatively in dealing with the general problems of the industry as a whole. The Northwestern Paper Merchants Association is a district, or branch, association.

Interstate, District, or Local Associations

Sometimes an organization is developed to cover not a single state but portions of several states, like the Pennsylvania, New Jersey and Delaware Wholesale Grocers Association, or the Gulf Coast Lumber Association. Or, for particular reasons, a purely local organization is developed to represent a national body in a locality of limited extent, as for instance, the Boston Stationers Association, which

represents a city; the Danbury-Bethel Fur Hat Association, which represents a group of cities; or the Brooklyn Hardware Dealers Association, which represents a section of a city.

Thus an organization may be national, representing either the entire industry and all its branches or the various associations of an industry; it may be territorial, representing the interests of an association within a certain district; or it may be a state or local association and represent merely the industry of a state or part of a state.

There are, moreover, two distinct geographical classifications: first, the national association which is made up of smaller associations which operate in their own specific matters independently; and second, the national association which is made up of branch organizations which operate under the direction only of the national headquarters.

When competitors are numerous it is essential that a well-developed system of local district associations should be maintained and that, as in the case of a corporation or large organization, they should conduct their affairs under the direction of a general manager.

Whatever may be the industrial or geographical limits of an association, there is really no limit to its powers for co-operation. Indeed, since the trade association exists on the principle that advantages are to be derived from co-operative effort among individuals, it should be willing to co-operate in matters of common interest with any and all other related trade organizations. If these matters are of common and pertinent interest, such associations should be willing to co-operate in a regular and more inclusive association. This makes for the large national organization.

3. Legal Form

As to legal form, trade associations may be either "ordinary membership" bodies or incorporated bodies. Both kinds have

advantages and disadvantages. The membership association needs no official permission nor does its existence necessarily meet with official recognition. The incorporated association, on the other hand, must apply for legal sanction for registering its intended name, purpose, and powers.

The usual reason for the incorporation of membership associations lies in the fact that the unincorporated association is incapable of holding real estate in its association name. An unincorporated association has no power to receive realty either by grant or demise. The National Canners Association, which owns property and conducts a laboratory in Washington, is incorporated because it owns such property; likewise with other associations which have laboratories or real estate of their own.

Another inducement for incorporation is the limited liability of incorporated members as compared with the personal liability of members of unincorporated associations. This is true of the League of Industrial Rights and other organizations which are engaged in procedure through the courts.

Some associations incorporate for the purpose of carrying on the work of a corporation in the selling of service through membership. In such a case not all members necessarily become stockholders; indeed, the stock is sometimes held almost entirely by the original incorporators. The stockholders as usual elect a board of directors. The dividends, if there are any, are received in reduced dues by the stockholders only. Incorporation, however, is seldom necessary except where a trade association must for some particular reasons carry on a regular business or service.

As a general rule it is not necessary for trade associations to incorporate, for they would have no particular reason for holding property and would not do anything which would make any of their members personally liable for damages.

CHAPTER V

ORGANIZING THE ASSOCIATION

The Name

When once a trade association is organized the first thing to do is to give it a name—to hang out the sign which will inform people that it has now set up in business.

Naming an association is not intrinsically a difficult task and yet at this point a great many associations make their first misstep, for it is a misstep to give an association an abominable tongue-twister for a name when it could just as well have been given one which is short and euphonious. The name should be definite, representative, and as short as possible—something which will come easily to the mind and to the tongue. Examples of both good and bad naming will be found in the list of American trade associations given in Appendix C.

Aims and Purposes

In all cases an association is organized to carry out certain definite purposes. If it had not certain purposes to fulfil it would not exist. When it is organized every association should state fully and plainly, but as simply and succinctly as possible, the reasons for its existence: (1) because a definite and complete statement outlines the program by which the association is to proceed; (2) because such a statement affords accurate information to anyone who desires to know what the principles are for which the organization stands, or why it was called into being.

The purpose of an association may perhaps be stated briefly thus:

The purpose of this Association shall be to encourage social relations among its members and to discuss any matters of mutual interest to the ..... (name of trade).

Or again, it may be stated more fully, in this manner:

1. To gather, tabulate, and disseminate among its members information concerning:

(a) The supply of and demand for ..... in the United States of America.

(b) The supply of, demand for, and cost of all materials and commodities which enter into the manufacture of .....

(c) The quantity of ..... imported into and exported from the United States, and the countries from which imported, and the countries to which exported.

(d) The past prices asked for .....

2. To establish uniform trade practices, thus eliminating trade abuses unfair to manufacturer and to customer.

3. To study, formulate, and advocate a correct and scientific system of Bookkeeping and Cost Accounting to be adopted by its members and all other manufacturers of .....

4. To keep advised as to all matters which may affect the welfare of the industry and to inform the members thereof.

5. To collect and disseminate to members all information with respect to laws, rules, and regulations of the United States and of foreign countries that may pertain to the various materials and commodities entering into the manufacture of ..... and to the machinery used for its manufacture.

6. To promote the use of the product manufactured by its members.

7. To encourage and promote discussion and study of economic principles and of questions affecting the industry; but the purposes of this Association and the procedure which may be adopted in the accomplishment thereof, shall in no way conflict with any Federal or State law of the United States of America.

One of the best formulations of the purposes of a trade association is that of the United Typothetae of America, who set forth in their certificate of incorporation the following reasons for their existence:

To Foster Trade and Commerce

To foster trade and commerce in the printing industry; to reform abuses relative thereto; to protect trade and commerce from unjust and unlawful exactions; to diffuse accurate and reliable information among its members as to the standing of merchants and other matters; to promote uniformity and certainty in the customs and usages of said trades and commerce, and of those having a common trade, business, or financial interest; to settle differences and promote a more enlarged and friendly intercourse among its members and between its members and the business world; and in general to do such other and further lawful acts as may be found necessary and convenient.

Encourage Friendship

To encourage and foster a feeling of friendship between employing printers and allied employing trades; to devise ways and means for bettering the condition and advancing the interests of the industry in general; to spread this influence internationally through the establishment of local or sectional associations; and to develop a spirit of co-operation in all matters of mutual interest.

Encourage High Standards

To effect a thorough organization of the employing printers and allied employing trades of the United States, Canada, and Mexico, with a view to improving the condition of the industry in every proper and lawful manner; to encourage a high standard of proficiency; to promote the interests of the printing business in all its branches; to maintain among its members a just and equitable method of conducting said business; and to meet at stated periods for the discussion and dissemination of reliable information relative to the best

methods of conducting business from the standpoint of practical experience and of approved business ethics.

Eliminate Evils of Ignorant Competition

To urge employing printers and allied employing trades to co-operate with one another; to eliminate the evils of ignorant and ruinous competition; to make the relationship of the entire printing trades harmonious; and to correct such further evils as may exist.

Knowledge of Costs

To gain a wider knowledge of the elements of cost, and of what constitutes a proper remuneration for services rendered, to the end that competition may be honorable, just, and reasonable.

Establish Relations with Labor

To enable such members as may so desire to form divisions for the purpose of making contracts with labor unions, a copy of every such contract to be transmitted to the Secretary of this Association, for general information. To enable members who may so desire to operate open or non-union shops; to maintain labor bureaus; and to enable members, or such of them as may so desire, to unite in the protection of their interests in any way. No existing contracts to be affected by the above clause. Each division may levy upon its members such additional dues for the special work of such division as may be required: Provided, however, that such dues shall be subject only to the control of the division.

No Control of Prices

This Association shall not at any time attempt to regulate its entire membership in the matter of labor control or prices of printing. Any division of the Association, either local or international, may regulate the affairs of such division.

Cost-Finding System

To employ competent men to install the Standard Uniform Cost-Finding System as approved and amended from time to time by the Cost Commission; to secure uniformity in the application of the system in the plants of its members; to urge its adoption in all printing plants everywhere, and by all the allied industries.

Credit Bureaus

To maintain credit bureaus for the collection and dissemination of credit information; to keep on record for the use of all subscribing members information regarding the credit and methods of buyers that may be of value to members.

Legislative Committees

To create legislative committees, both local and international, for the purpose of watching, promoting, and furthering the legitimate interests of the industry.

Mutual Insurance

To foster and further the formation of mutual insurance companies.

Code of Ethics

To standardize a code of ethics and trade customs. for the guidance of its members in their dealings with each other and with their customers.

Trade Relations

To establish better trade relations between individual printers, between printers and other allied interests, and between all the interests involved in the furtherance of the general welfare of the Association.

ARBITRATION BOARDS

To provide Boards of Arbitration, local and international, to which may be referred for adjustment problems within the Association, methods of competitors, and questions arising between members and their customers.

LOCALS

To form local branches in various cities and towns throughout the country.

To employ the persons necessary for carrying out the work of organization in general.

INDUSTRIAL RELATIONS

To conduct an industrial relations department, and such other departments as may be necessary for carrying out the general objects and purposes of the association.

NOT FOR PROFIT

That the purpose of the Association in carrying out the objects as herein set forth shall not be profit, but shall be service, and the promotion and development of the printing industry in all its branches.

Code of Ethics

A trade association having determined upon its reasons for existence may well then set up a standard or code of ethics under which it is to operate. We all as individuals may have life, but if we are to amount to anything we also must have a plan for living; otherwise we merely exist and come to no good end. A trade association should have certain ideals which it should ever struggle to attain. Here also the example of the United Typothetae of America is worthy of note. They have enunciated a statement of ideals which is the best that can be found in a search through the outlines of purposes or plans of trade associations in this country

or abroad. This code of ethics is so complete and wide, it sets so high an ideal—one towards which any trade association, with due modification to suit its own industry, may work—that it is quoted here in full:

OF OUR DUTY TO OURSELVES

1. The code of ethics best calculated to elevate the status of employing printers must be evolved by the development of moral and intellectual manhood. We should, therefore, resolve to test every *transaction* by the standard of truth and justice.

2. Take advantage of no man's ignorance, and see that employees are truthful and straightforward, and do not misrepresent nor overcharge the confiding.

3. It is an absolute essential in honorable competition that we prove ourselves as honorable in every particular as we would have our competitors.

4. Mix freely with the intelligent and honorable members of the craft, and study their ways and methods, and endeavor to get a reputation in the community as an intelligent, honest, first-class printer, whom people can trust with their work without competitive bidding.

5. Every printing establishment should have a perfect system of ascertaining the actual cost of every job. It is in this way only that the business can hope to be relieved from the deleterious effects of guess prices. Such a system should not only ascertain the facts, but record them, so that they can be referred to understandingly, and the information immediately ascertained.

6. No establishment should be satisfied with anything except the most exact and systematic bookkeeping, and all work should be checked up and charges proved before delivery, and the following made a standing rule: Never permit a charge to be entered on the books that cannot be proved by competent evidence in a court of justice to be a fair competitive price.

7. The expense of doing business, such as the wear and tear of material, interest on money invested, bad debts, rents, taxes, insurance, bookkeeping, and all other items of expense,

should be ever before our eyes, and we should never forget that these must be as surely levied on each particular job as its labor cost. Never, under any circumstances, should the minimum cost plus a fair profit be departed from. We should feel here a double restraint: in the first place, to cut cost is *foolish;* in the second place, it is *wrong.*

8. On no account consent to pay commissions to bookkeepers, secretaries, or others who have work to give out. It is demoralizing to both the giver and the taker. Money is passed without a proper equivalent. The agent is selling something he has no right to sell, and unless the printer has a better conscience than is ordinarily met with, the commission is added to the bill and the customer pays more than he should.

Of Our Duty to Each Other

9. When a young competitor enters the ranks, welcome him as a new soldier to the field, and help him to any information and assistance which will enable him to overcome the difficulties we had so much trouble in surmounting. Rest assured you can make no better investment of the time necessary to do so, as his gratitude for the kindly consideration will often cause him to repay you in fourfold way and where you would often least anticipate it.

10. It should be a duty and pleasure to impart to our less experienced competitors the knowledge we possess, so long as we are satisfied that the information generously given will be honorably used. In this way the element of ignorance, which does so much to demoralize the craft, may be partially eliminated and one of the most dangerous factors of competition destroyed. Remember that knowledge kindly imparted makes a business friend of one who would probably otherwise become a business foe.

11. The young employer who starts with a small capital, and does most of his own work, should ever remember the honorable nature of his calling, and never make the mistake of supposing that because he does his own work he can do it for less than his neighbor who employs fifty or more hands, with a long list of superintendents and fore-

men. He should rather insist that the work which he does with his own hands will be better done, and therefore he should receive more for it.

12. When a printer is offered work which he cannot do, his rule should be to decline it and refer his customer to the office that can do it, and not accept the work hoping to get some neighbor to do it for him and allow him a commission.

13. Make no rebates or allowances to professional brokers or middlemen. If it is possible to help a neighbor out of an extra rush of composition or presswork, do it cheerfully, and divide with him the profit on the work. In this way the temptation to add to the facilities, oftentimes much too large for the work done in a given community, will very often be overcome, as idle machinery makes it almost impossible to maintain any standard of prices which may be adopted.

14. When estimates are asked for by any person on work done by another printer with plain intent to find cause for an alleged unfairness of the price charged, they should be invariably declined. It is not safe to criticize any price until one is in possession of all the facts. The work itself will not bear evidence whether it was done by night or by day, with a few or many alterations; these with many other unknown conditions may have controlled the price.

15. In making estimates we are shooting arrows in the dark, and may unwittingly wound some of our best friends when we have least intended it. If the aggrieved person thinks he has been injured by an estimate which has taken away a valued customer, his proper course is to seek an explanation, and he should always begin with the supposition that the injurious price has been made in ignorance of all facts, by thoughtlessness or by mistake. In most cases he can reach such an explanation as will prevent a repetition of the error, if it does not bring the lost work back.

Of Prices and Estimates

16. Every establishment should have a thorough knowledge of what it costs to produce the work it sends out, and should determine what percentage of profit it will be satisfied with. Based upon those two items, it should estab-

lish its prices for all work undertaken, whether secured by competitive bid or without a price being named in advance.

17. A master printer should not make estimates for work that he cannot do, and when he is devoid of experience in certain branches of printing, should not attempt to price them. It is always unsafe and often unjust to give prices upon a class of work for which the cost is not positively known and has to be guessed at.

18. Always have the courage to ask fair remuneration for any work offered, resting assured that it will be more profitable to be without a job than to secure one in which there is temptation to resort to questionable methods in order to avoid a financial loss in its execution.

19. Estimates calling for detailed specifications of separate value of the paper, composition, electrotyping, presswork, ruling, binding, etc., should always be refused. These details the customer has no right to. They are the printer's property, and to be swift in giving them away is one of the surest methods of provoking unfair competition.

20. When requested to make estimates for work, or when submitting proposals in answer to advertisements, the intelligent printer should endeavor never to lose sight of the fact that the only price proper to make is the one that he would make were the work entrusted to him without any estimates having been requested on it. His estimated figures should be made on the basis of 1,000 ems, per token, and per pound for paper that he has adopted for his minimum for the class of work, while carefully studying the subject with the figures of his previous year's business before his eyes, and while safely shielded from the exciting influences which arise when the estimate fiend is so close upon him—always consoling himself when he loses the job with the thought that if he had encumbered himself with the work at a low figure he would have incapacitated himself from doing what may presently come along at a remunerative rate.

21. A master printer should always contend that he is entitled, when asked for an estimate, to know the names of all who are to be requested to bid on the work. A glance at the names is often sufficient to show him whether it is worth the trouble to make the necessary calculations. He

should also insist upon his right, if he desires it, to know all the prices offered for the work, and to whom and at what prices it was awarded.

22. The man who asks for a bid upon work, and before receiving it shows the figures made by another bidder, should be marked; it can be depended on, if he will show you another's bid he will show yours to a third party. He wants you to do the job, if you will do it for less than anyone else.

Our Duty to Our Workmen

23. In the conduct of our establishment it should be our constant endeavor to elevate the moral character and ameliorate the financial condition of our workmen who are engaged with us. This interest in their welfare is one of the best methods of preventing strikes and lockouts, which do such untold damage to both the proprietor and the journeymen.

24. While it should be the firm and unalterable determination of every printer not to be dictated to by labor organizations when their demands are unfair, or which substitute the will of a prejudiced majority for the conservative teachings of common sense and justice, we should be slow to condemn the action taken by the journeymen, as it is possible that the influences controlling them may be more than they are able to resist.

25. Any action which tends to decrease the rate of wages should be looked upon with as much distrust as is an effort to increase them. We should always remember that the proper place for us to look for remuneration is from the business we do at a legitimate profit, and not from what we can save on the per diem of the wage worker, or from what we can make out of each other.

26. In the treatment of apprentices or boys who are in our employ we should be ever careful as to whose hands they are in, as they are often influenced for good or for bad by the example of the foreman under whom they work.

27. When an apprentice is taken, it should be considered our duty, if he prove unapt or unteachable, to advise him

to seek another line of trade. It often occurs that a poor printer would have made a good blacksmith or shoemaker; therefore, either trade, as well as the boy, would be benefited by taking him away from the trade for which he is unfitted.

28. When we conclude that the apprentice we have taken is competent to learn the business and that he will learn it in such a manner as to reflect credit upon those who taught him, as well as himself, no effort should be spared to make him all he should be as a workman and a good citizen. By so doing we add to our own happiness, to his prosperity, and help the future generation of employing printers along a very troublesome road.

Membership

Membership is the most important matter with regard to the internal organization of a trade association. The representativeness of an association is directly dependent upon the number of its members and the nature of the restrictions attending their admission. It is therefore desirable that definite qualifications for membership be stated, thus eliminating any personal prejudices for or against a candidate. The trouble with a great many associations is that they do not define their memberships clearly; and when once they let down the bars they become big, heterogeneous, unwieldly bodies made up of varying minds and productive only of unsatisfactory results.

While a trade association should in no sense be exclusive, it should, if it is to be fully representative and of a desired quality, require from its members certain standards and qualifications. The constitution or by-laws of most associations divide the membership into three or four classes, each of which possesses slightly different privileges. Memberships are commonly grouped in the following classifications: active, associate, honorary, and sometimes affiliated. Though other bases of classification exist, these are most commonly found.

Active Membership. Active membership is usually understood to include representatives of firms or corporations actually engaged in the specific industry or phase of industry suggested by the title and purpose of the association. To these members are extended the fullest privileges of membership. They may enjoy the social and economic benefits of the association, and they possess the right to vote, to hold office, and to serve on committees.

Associate Membership. Associate membership on the other hand is generally extended to include representatives of concerns indirectly engaged in such fields. By way of example, an association of retail hardware dealers would have a trade association of their own of which they themselves would be the active members, while the associate members would be the jobbing and manufacturing interests in the hardware lines. Again, in an association of piano merchants, active members would be the merchants themselves or their representatives, while those engaged in any other branch of the musical industry might be termed "associate" members. Associate members are restricted from voting at meetings or from holding office, but may by a special vote act on committees. They are entitled to all other special privileges.

Honorary Membership. When a member has ceased from active participation in an association because of retirement from business or of change of position, and has rendered distinguished service either to the association or to its interests, he may be accorded the rank of an honorary member. The status of the honorary member is the same as that of the associate member except for the fact that he is exempt from the payment of any dues or fines.

Affiliated Membership. Some national associations have what are known as "affiliated" members: that is, any state or local association may become affiliated with the national association after the approval of application for admission

to membership. Delegates are then appointed, usually on the basis of membership, to represent the affiliated association. As these appointees are offered all the rights and privileges of active members, they really should be considered in the same class. Some national associations will accept no direct members from a section in which there are affiliated organizations.

For instance, a manufacturer could not join the National Metal Trades Association and refuse to be identified with its local association in his district. No book-paper manufacturer can join the American Paper and Pulp Association; he must join the affiliated Book Paper Manufacturers Association, which is itself a member of the American Paper and Pulp Association. Thus the individual, without extra expense (all is included in his membership in the affiliated association), receives the benefits of the large national association, which, since it is composed only of affiliated organizations, has no individual members.

Applications and Election

The application for membership is generally made in written form, and the qualifications of the applicant should be carefully examined by the officers or by the executive committee. A new member should be elected to membership in an association only upon the recommendation of an executive or membership committee. When a committee recommends a company for membership that fact should mean that it has obtained all possible information about the applicant and considers that the company's product, its manner of conducting business, and its intentions are such as to make it a worthy addition to membership in the organization.

Upon formal recommendation, a vote is taken by the association in meeting assembled and the applicant nearly always is elected; for usually associations appreciate the ad-

vantage of an extensive representation and know that no one would be recommended by the committee and the officers of the association unless he was desirable. In most associations it is generally known beforehand whether or not an applicant will be acceptable. If it is not perfectly certain that he will be acceptable, his name is seldom brought before the members for election.

The election of associate members, however, is an entirely different matter. When electing them great care should be taken to be certain that the applicant is a legitimate factor in the industry. Thus an association of retail dealers might specify that no hardware jobber shall be admitted as an associate member unless he sells strictly at wholesale. The proposed member is often expected to indorse the policy of the association before he is accepted.

The question of the number of votes which applicants must receive to become members varies in different associations; but as a rule they simply require a majority vote and the majority vote usually becomes unanimous.

Undesirable Applicants

An applicant for membership may seem undesirable to the committee that examines his application and to the membership at large, but it should always be borne in mind that a member in the association is much more susceptible to reform measures if they are necessary than a man outside. Consequently many organizations elect to their membership persons who may not at the time seem wholly desirable, for the purpose of educating them by letting them associate with men of bigger and more constructive vision and experience and thus absorb larger and broader ideas. This plan works successfully with most men, and often a man with a narrow, confined point of view, merely by rubbing elbows and exchanging ideas with other men, broadens out and becomes

an asset to the industry. Now and then men have such hard shells that they cannot be penetrated or changed in the least; but as a rule, even if a man does not in every respect measure up to requirements, it is desirable to elect him to the association in the hope that by environment and education he may be induced to do business on a better and more ethical basis.

One certainly would not expect to teach Americanization by sending missionaries to Europe. We do it by admitting immigrants to this country and then teaching them after they get here the principles of American citizenship. Likewise, we cannot inculcate in a man the advantages of co-operation and the higher ethics of business by merely calling on him and arguing. He may be convinced that we are right and thus be willing to join an association, but his conversion and unconscious reformation are a matter of personal contact and absorption which takes patience and time on his part and on that of the other members.

CHAPTER VI

ASSOCIATION ROUTINE

Dues and Assessments

Some associations receive their financial means for carrying on their work by initiation fees and periodical dues or assessments.

A fixed sum should be set as the fee or annual dues of a member. The amount selected is generally $100, although in some trade associations where the membership is composed of small factors the dues are much less. The assessment in an association is usually made upon some basis, perhaps of tonnage or feet, which applies especially to the particular industry. The best basic medium to use, however, is gross sales reckoned in dollars. A dollar means the same thing to all members, whereas a yard of silk may represent various values, or a hundred feet of lumber may be of different grades and values. The man who produces a small amount of high-grade silk and sells it at a high price with large annual profit would, on a commodity basis, pay a smaller assessment than a member who produces a large amount of low-grade silk and sells it at a low price, with smaller annual profit.

The association exists for its effect on profits and therefore profits, or dollars, should be the basis of assessment. The man who has had the larger sales in dollars should have made the larger profits and therefore should pay the larger assessment to the association, since he must be convinced that the service of the association has helped make possible his large sales.

If a large national association is made up of affiliated associations these generally make a fixed annual contribution for the support of the large organization. As the presidents of each of the affiliated associations are members of the executive committee of the large organization, the executive committee determines what would be a fair contribution from the allied associations.

Dues—Active Membership

Active members should report gross sales in dollars to the association quarterly. Each member's total assessment can then be based upon his total annual gross sales. This makes the expense equitable; in other words, the large companies pay the larger assessment and the small companies pay the smaller sum.

Bills for dues and assessments should generally be rendered quarterly or semiannually, and members should be urged to pay promptly. It does not make an assessment seem quite so large when it is thus divided into four parts. If an association is conscientiously doing its full part, and the members believe in it, there will never be any delay in collecting funds.

Dues—Associate Membership

According to the requirements of some associations, associate members pay a higher rate of dues than active members. The reason for this lies in the attitude of active members towards associate members. On the principles of self-protection active members feel that their own interests are of paramount importance, and therefore that the lighter the restrictions imposed upon them the greater is the assurance of true representation. Since associate membership is regarded more or less as a privilege whereby the interests of outsiders may be protected, higher fees and assessments are

levied upon associate members. This arrangement, however, does not always prove satisfactory.

When some special service is conducted in an association, such as credit, collection, or transportation bureaus, an additional charge is sometimes made for subscriptions to such service, or a moderate fee is asked for actual work performed.

Budget

As every association should have a budget, the sum total of the dues can be subtracted from the total of the budget and then the residue prorated as an assessment among the members, based upon whatever medium is selected.

In creating a budget for an association sufficient funds should always be provided for the full and complete operation of the association. It is a most unfortunate condition for an association to have to abandon vital work because of a lack of financial support. But as the work of the association progresses and it renders increasing service to the members, the question of a budget will become of secondary interest; since the value received is so much greater than the cost of conducting the organization the latter really becomes of little consequence. A secretary or a treasurer, especially when the offices are held by one man, should not have to spend his time in raising money. If he is hampered by a lack of funds, or if he has to spend a portion of his time in endeavoring to get money, he cannot then do the constructive work necessary.

The budget is the chart by which an association lays its course, and in addition a sufficient amount should be set aside each year as a surplus. In an emergency this money is available, and it is always desirable that an association should have a sufficient reserve fund in the bank or out on investment. The same rules apply to an association as to an individual; the man or the association that has a little

money laid by can always feel easier than the one that is living up to the full extent of annual income.

Extra expenses which are not covered in the budget can be raised, of course, by special assessments after being approved by the executive or finance committee; and if the treasurer has occasion to pay out any large sum of money which is not covered in the budget but which can be taken from reserve funds, he should always procure the approval of the committee having such matters in charge. This is not only desirable from a business standpoint, but also protects the treasurer from making any payments for which he might personally be criticized.

A Sample Budget

A budget for an association may be made up as follows:

Special Expenses	Last Year's Budget	Last Year's Expenses	Budget for the New Year
Travel	$ 1,000.00	$ 1,079.50	$ 1,100.00
Telephone and Telegraph	500.00	417.00	500.00
Legal	5,000.00	5,000.00	5,000.00
Postage	750.00	720.00	750.00
Stenographic Reports	500.00	425.00	500.00
Secretary	10,000.00	10,000.00	10,000.00
Office Force	4,500.00	4,797.25	5,000.00
Printing and Stationery	1,200.00	1,601.12	1,600.00
Miscellaneous	150.00	74.20	150.00
Total Special	$23,600.00	$24,114.07	$24,600.00
General Expenses			
Rent	$1,000.00	$1,000.00	$1,000.00
Office Supplies	100.00	89.00	100.00
Dues and Subscriptions	150.00	140.00	150.00
Fixtures	150.00	120.00	150.00
Miscellaneous	120.00	59.10	100.00
Surplus	880.00	.....	900.00
Total General	$2,400.00	$1,408.10	$2,400.00
Total Budget			$27,000.00

In the budget here shown the expenses are divided into two groups, "Special Expenses" and "General Expenses." This division is necessary only where several associations participate in the general expenses. When this is the case the total general expenses for running the office are then divided on a percentage basis among the associations participating. This percentage is determined largely by a joint meeting of the budget committees of each association. The special expenses of each association are kept separate, however, because those are the expenses which have been incurred for the work of that association alone.

The items in the budget are self-explanatory. "Legal" refers generally to a retainer which is paid a legal counsel or adviser. "Stenographic Reports" refers to the cost of transcribing what is said at each meeting. As stated, it is always desirable to set aside a certain sum for "Surplus," which is held in reserve for unexpected expenses.

If the association has been in operation for more than one year the budget is divided into three columns. The first column shows the budget for the previous year; the second column, the actual expenses for that year; and the third column, the proposed budget for the ensuing year. In figuring a budget it is always well to have ample amounts given to each item because it is much pleasanter at the end of the year to find that the association has spent less, item by item, rather than more.

Fines and Penalties

Some associations have a system of fines, varying according to the offense, but the idea of fining members is not a popular one nor conducive to enthusiastic support. Even if the member feels that a fine is justified, he naturally somewhat resents it and does not hold the same cordial attitude towards the association after its infliction as he did before.

Suspensions are practiced by a great many associations if a member does not live up to the requirements of membership, or if his actions in any way reflect upon the members. This acts as a corrective. If the offense is of a sufficiently grave and lasting nature the member can be expelled. No member, however, should ever be fined, suspended, or expelled until the case has been investigated by an impartial committee and the member has had full and ample opportunity to state his side of the question. Members who are suspended, or even expelled, may be reinstated upon written application and guaranty of proper conduct and of proper appreciation of the standards of the association.

The earlier forms of trade associations had a very elaborate system of fines and penalties. It was chiefly in the pool that the practice of requiring bonds from members was first observed. Under this system should any member violate the agreement to which he was bound, his bond would be forfeited as a punishment to himself and as a compensation to the injured members. This pernicious practice has met its own end since, like price-fixing, it interfered with individual liberty, created bad feeling, and was fundamentally wrong.

Association Officers

The officers of an association should consist of a president, one or more vice-presidents, a secretary, and a treasurer; but the offices of secretary and treasurer may be filled by one person. The officers should be elected at the annual meeting, after the report of the nominating committee, and they generally hold office for one year only.

Sometimes the members elect merely an executive committee; and then this committee elects the officers, excepting the secretary, from among its own members. But as members quite often like to elect their own officers and as there is seldom any competition, that having been previously settled

by the nominating committee, the names of the proposed officers are usually submitted at the annual meeting and they are elected at the same time as the executive committee. They are nearly always active ex officio members of this committee.

A system followed by some associations is to have an executive committee of say nine members: three serving three years; three, two years; and three, one year. This method requires that three new members shall be elected annually for three years and always keeps on the committee some who have had experience. When a member's time expires, he should not be elected to succeed himself but someone else should be given a chance to serve.

In most associations the custom is that a president shall, at the most, hold office for only two terms, of a year each; and if there is such a custom it should be followed as far as possible, because then the association can never be accused of being run by one man or group of men.

The secretary, or secretary-treasurer, if he has served well, is generally re-elected at each annual meeting.

Duties of Officers

The president presides at all meetings, has charge generally of appointing committees, and decides what the policy of the association shall be, often under the advice of the executive committee or board of directors. Presidents are seldom compensated for their work. Their traveling expenses sometimes are paid. If the association possesses a live, capable secretary, the presidency should not be a particular hardship for any man to assume.

The duty of a vice-president is to preside at a meeting in the absence of the president. A vice-president frequently serves as chairman of some important committee.

The duties of a secretary are given in Chapter XV.

The treasurer should always be under bond, the premium on the bond being paid by the association; and the treasurer may perhaps be required to give additional sureties. The bond at all times should be in the custody of the president.

The books and accounts of the treasurer should be audited every year by a disinterested accountant selected by the president or by the executive committee; and the accountant should not be associated in any way with the industry. This makes for an impartial report and convinces any "doubting Thomas" that the financial records are in an absolutely satisfactory condition.

Committees

To supplement the work of the officers, the usual standing committees are appointed or elected, the chief one of which is the executive committee. This committee attends to the routine matters that concern the operation of the organization.

In addition to the regular standing committees provision is made for special committees, such as those on trade relations, freight organization, grievance, press, classification of membership, committees for various service bureaus, etc., all of which supervise the technical functions of an association or attend to purely trade matters.

In appointing committees the president should always be careful to rotate their membership so that, if possible, all classes or groups are represented. If an association is a national body the members of the committee should be selected geographically, in order that every geographical division of the association may be represented. There is danger of unintentionally allowing a small group of men who do good committee work to serve on all committees and practically run the association. This creates a "ring." Some members, though they may not openly object, yet may feel that since they are not

allowed to take part in the activities of the association they have no particular reason for membership.

When a man begins to lose interest in an association he should be placed upon one of its most important committees. And if he raises some particular objection to some condition which may exist, and a committee is appointed to investigate and correct that condition, he should most certainly be on the committee, perhaps as chairman.

One of the best ways to make a member enthusiastic is to make him work, and one of the best ways to cure a critic or objector is to put him on a committee to correct the very thing he is criticizing or to which he objects.

Publicity and Freedom of Trade

The by-laws of every association should state that no member of the association will enter into any agreement whatsoever which will restrain trade, limit production or competition, regulate prices, distribute business, or do anything else which is contrary to law.

And the association should also make it clear that its files and the correspondence and its meetings are open to the inspection of any public official who, in the performance of his duties, is legally authorized to investigate the workings of the association. The association should have nothing which it should hesitate to disclose to the proper authorities. Of course, for obvious reasons, full publicity as to the activities of the association cannot be given to the public, as the records are of private business; but there should be nothing in private business which is at all irregular and therefore the association should at no time claim to be a secret body.

These stipulations as to publicity and freedom of trade should be set forth explicitly in the by-laws as fundamentally the practice of the members of the association. They are in a way a declaration of principle and procedure.

By-Laws

The following are specimen by-laws of trade associations which provide for the purposes already set forth in this chapter:

ARTICLE I—NAME

Section 1. The name of this Association shall be ..... Association.

ARTICLE II—PURPOSE

Section 1. The purpose of this Association shall be to encourage social relations among its members and to discuss any matters of mutual interest to the ..... (name of trade).

ARTICLE III—MEMBERSHIP

Section 1. Every individual, co-partnership, or corporation actually engaged in the manufacture of ..... (name of commodity) within the common application of the term in the United States shall be entitled to membership in this Association.

Section 2. Any such individual, co-partnership, or corporation may become a member of this Association upon formal application for membership therein, made in writing to the secretary, upon due election as such at any regular meeting of the Association by a majority vote of members, and upon payment of dues for the current year.

Section 3. An applicant for membership in the ..... Association must establish the following qualifications:

(a) That applicant is a regular manufacturer of ....., of a grade no less than .....

(b) That applicant shall show that he has manufactured the above grade or better at an average production of ..... tons per week for a consecutive period of one year previous to the date of application.

(c) That applicant's mill is equipped with ..... machinery to warrant making .....

(d) That the applicant agrees to pay all dues and assessments promptly, to make all regular reports and all other required reports, to be represented when possible at all meetings, and to co-operate with the Association in all matters of general interest to the industry.

(e) That applicant's business shall have been established for at least one year and such additional time as the Executive Committee may deem desirable.

Article IV—Dues and Assessments

Section 1. Membership dues shall consist of $100 flat per year for each member, plus such assessment or assessments as may be necessary to met the annual expenses of the Association. Such assessment shall be made pro rata upon the gross sales of members for the previous year.

Article V—Meetings

Section 1. The President shall call all meetings of the Association. In his inability the Vice-President shall have power to do so, or meetings shall be called at the written request of any seven members of the Association.

Section 2. At any business meeting of the Association members may be represented and vote as follows: if an individual member—by the individual; if a co-partnership—by any partner; if a corporation—by any officer of such corporation; and in no case shall any individual, co-partnership, or corporation be entitled to more than one vote.

Section 3. Unless otherwise determined by a two-thirds vote of the members present representation in the meetings of the Association, except as provided by Article VIII, shall be only by individual members or partners of members, or by an executive officer of the company member, or by a representative of a company member with written authority of power to act and whose actions shall be binding upon his company; and so far as practical by the same representative at each meeting.

Section 4. At any meeting of this Association representation of one-third of the members shall be a quorum

for the transaction of all business, except on the question of membership, when a majority is necessary.

Section 5. There shall be an annual meeting held in April of each year.

Article VI—Officers and Duties

Section 1. All officers of the Association shall be either individual members, partners of a co-partnership member thereof, or officers of a corporation member thereof, excepting the Secretary and Treasurer. There shall be a President, two Vice-Presidents, a Secretary, and Treasurer, but the Secretary and Treasurer may be one person.

Section 2. The officers of the Association shall be elected at the regular annual meeting of the Association and shall hold office for one year, or until their successors are chosen and qualified.

Section 3. There shall be an Executive Committee of not less than five (5) and not more than seven (7) members, which shall consist of the President and two (2) Vice-Presidents ex officio, and four (4) members to be chosen at large.

Section 4. The President shall preside at all meetings of the Association. In his absence a Vice-President shall preside. In the absence of both President and Vice-Presidents the members present at any meeting may by a majority vote elect a chairman pro tem to preside over such a meeting.

Section 5. The Secretary shall keep proper records of the meetings and all formal actions of the Association and its committees. He shall have the custody of all its records and papers in general. Statistics and other confidential information received from members shall not be communicated to other members without specific permission of the member giving same, but nothing in this section shall be construed to prohibit the compiling of records and statistics en bloc or in totals and the furnishing of such compilations to all the members. He may give to the president the names of members reporting and not reporting. He shall on order of the president issue written notices of all meetings of the Association to members.

The Secretary-Treasurer shall be directly responsible to the Executive Committee, who shall have general supervision over the affairs of the Association.

Section 6. The Treasurer shall have the custody of and receive and disburse all funds of the Association.

The Treasurer shall give bond in such sum and with such sureties as the Executive Committee shall determine, and such bond shall be held in the custody of the President.

The books and accounts of the Treasurer shall be properly audited at least once in each year by a suitable disinterested accountant to be selected by the Executive Committee, such accountant not to be connected with the ..... industry.

Section 7. In case of death, resignation, or other disability of any officer, his successor may be chosen for the balance of the current year by a majority of the Executive Committee.

Article VII—Freedom of Trade

Section 1. No member of the Association shall enter into any agreement of any nature whatsoever the object of which is to restrain trade, limit production or competition, regulate prices, distribute business, or do any other act which is contrary to law.

Article VIII—Publicity

Section 1. The records of the Association, its files and its correspondence and its meetings shall be open at all times to any public official who, in the performance of his duties, is legally authorized to investigate the workings of the Association, the fundamental object of the Association being perfect frankness and openness in all dealings among members and in all dealings with customers and the public.

Article IX—Amendments

Section 1. These articles may be repealed, amended, or suspended by a majority vote of the members present at any meeting of the Association duly called and regularly held, seven days' notice of such change having been sent in writing to the members.

CHAPTER VII

MEETINGS

Frequency of Meetings

Meetings of an association are a necessary part of its activities, but are subject to regulation. Some associations hold meetings too often and others too infrequently. In the beginning, while the members are getting acquainted and gaining confidence, it is desirable that they should often gather together; but after an association has been in existence for some time it is better to hold regular meetings at fixed periods.

The reason for holding regular meetings is that the association then follows a definite program, the members know when a meeting is to occur and can plan for it several weeks ahead, and the association does not then lay itself open to the unjust criticism of meeting only when difficulties arise and there is something to be "put over." Some associations meet every month, but a majority hold quarterly meetings.

Preliminaries to Holding a Meeting

Each member should be notified, well in advance, of the date, exact time, and place of the meeting, and if possible of the subjects which are to be discussed. In this way he can inform himself before attending the meeting and be in possession of certain facts which may be called for. A paper or card of definite questions which he will be expected to answer on behalf of his company in the meeting is often sent him also.

If the meeting is to be held at an important center the members should be urged to write well ahead of time for their hotel reservations, as they can then get the right kind

of accommodations and do not enter the meeting in a disgruntled frame of mind.

Where to Hold Meetings

The place of a meeting should be carefully selected. In the beginning it is desirable always to hold a meeting away from trade centers because the members then have nothing else to do but to give their undivided attention to the work of the assembled association. Often, if the meeting is held in a city where the members have customers, the members will spend most of their time sitting on the edge of their chairs and looking at their watches in order not to miss an appointment made with a customer. Thus their interest and attention are lost and the meeting of the association suffers.

If an association has members in both East and West the meetings should alternate for instance between New York City and Chicago or be held at a convenient central point. This equalizes traveling expenses and time. As the meetings come to be regarded by the members as important events the place of meeting will cease to matter provided that it is reasonably convenient, as the members will not only attend but will stay until adjournment.

When to Call Meetings

The question often arises as to whether a meeting should be called at all unless there is some important business to transact. As a general rule there should be important matters to consider, but even when there does not appear to be anything in particular to discuss the meeting will be very likely to develop of itself into one of the best ever held. This has proved true in so many instances that one cannot say definitely that a meeting never should be held unless there are specific matters to discuss.

The discretion as to calling a meeting and defining its

purpose lies largely with the executive committee, or the president and secretary. They know the association best and should always be sure, if they have not something definite to discuss, that the members at least are in such a frame of mind that they will make the meeting itself a success. There is nothing more disastrous to the welfare of future meetings than to call a meeting and have it a partial failure, because the next time that a meeting is called, when perhaps something really important is to be considered, a member will often say to himself, "Well, I went to the last meeting and it didn't amount to anything and so I guess I'll not waste my time by going to this one."

Among large national associations, however, only one meeting a year is held, which is generally not only a business but a social affair. The business session is always accompanied by meetings of various groups or committees and is apt to be more or less formal in itself.

How to Call Meetings

After the date of a meeting has been fixed, either by vote at a former meeting or by the executive committee or the president, a notice containing the following information should be sent to all the members:

Member.....Association Subject: NEXT MEETING

Dear Sir:

A meeting of the ..... (name of association) will be held on ..... (day and date) at ..... (time) in ..... (room) of the ..... (hotel, city, and state).

We trust that you surely will be represented and will advise us in this regard.

Very sincerely yours,
..... (NAME OF ASSOCIATION)
..... Secretary
By order of the President (or Chairman or Executive Committee).

Be sure that it is stated, under the secretary's name, who authorized the calling of the meeting; then there can be no question about it.

This notice ought to reach every member at least a fortnight before the date set for the meeting. If the meeting is to be held in a city temporarily crowded the notice should be sent still earlier in order that the members may have ample time for making hotel reservations. Just at this point it might be added that the secretary is wise if he always lets the members make their own reservations direct with the hotel.

About a week before the meeting a reminder should be sent to all the members as follows:

Member.....Association

Subject: REMINDER

Dear Sir:

This will remind you of the next meeting of the ..... (name of association), which is to be held on ..... (day and date) at ..... (time) in ..... (room) of the ..... (hotel, city, and state).

We trust that you surely will be represented.

Very sincerely yours,

..... (NAME OF ASSOCIATION)

..... Secretary

No authority has to be given here as this is just a reminder of the official notice.

If the meeting is to be held in a city where members happen to reside, they should all be telephoned the morning of the meeting and reminded of the time and place. If the above outlined system is followed out the members can never offer as an excuse that they did not receive due and sufficient notice. Telegraphic notices, of course, have to follow a different form, but all facts should be given.

How to Conduct a Meeting

Both the president and the secretary should be in possession of a regular program for the conduct of each meeting. This program is made out with a time schedule so that the president may know about how long discussions should last, and thus not have the meeting unduly prolonged.

The time indicated in the schedule here given is the time of completion of each part of the program.

10:00 A.M.—Call of the Meeting
10:10 A.M.—Roll-Call
10:20 A.M.—Reading Minutes of the Previous Meeting
10:30 A.M.—Market Report by Secretary
11:30 A.M.—Market Conditions by Roll-Call
11:45 A.M.—Unfinished Business
- (a) Report of Tariff Committee, by Mr. J. L. Jones, Chairman
- (b) Report of Freight Committee, by Mr. F. R. Smith, Chairman

12:00 M.—New Business
- (a) Investigation of Foreign Exchange, by Mr. A. N. Black
- (b) Standardization of Weights, by Mr. R. C. White

12:45 P.M.—Summary by the President
1:00 P.M.—Adjournment

Sometimes the members are furnished with copies of the program in order that they too may see what is to be considered and how fast the meeting is progressing. In this way they can help in speeding up the meeting and eliminating unnecessary discussion.

Call of the Meeting

The secretary should always have with him the call of the meeting with its authorization in order that there may be no question about the meeting being legally convened.

Roll-Call

The names of all the members of the association should be listed on a sheet of paper, with the name of the usual representative of each company opposite the company's name. If a company has more than one representative their names should be entered for the company which they represent. The secretary then can read the list and check those present.

Reading Minutes of the Previous Meeting

The minutes of the previous meeting should always be read. There is a tendency to omit the reading of these minutes in order to save time, but the omission is unwise; the members ought to be willing to give a minute or two to refresh their memory as to what took place at the last meeting and to make necessary corrections.

Report of Market Conditions

In Chapters XIV and XV it is shown that the secretary should be given at least a half-hour for a clear and careful exposition of market conditions, to be illustrated by charts or any other means by which he can visualize to the members the facts which he wishes to bring out. This report requires careful preparation on the part of a secretary, and when it is delivered the secretary should be so familiar with his material as to be able to speak without notes.

Opinions of Members

The way in which members are called on for their brief individual reports determines the success or failure of the meeting. Of course, in an annual meeting of a large association not everyone can speak, but in a smaller association, where there are only 50 or 60 companies represented, statements by each representative present will bring forth interesting discussion and valuable information.

In former days it was said that such a round robin of experience and statement was simply an encouragement to the Ananias Club, but after members have become accustomed to making reports and are well acquainted they will hesitate about getting up and making any statements that can be questioned. By having definite answers to give to the questions on the papers or cards mailed to the members with the call of the meeting, a clear-cut conception of the market can be gathered and a member does not have to flounder around trying to say something.

If the card system of answers is not feasible another good device is to have at the end of the room a chart or a blackboard on which are written six or seven subjects on which the member is to report. This, like the cards, crystallizes and confines the roll-call for discussion to definite limits and gives the members some positive information about certain facts which they all desire. In responding, members should be careful to give definite facts and not mere generalizations.

The following card (Form 1) suggests a form which may be used in procuring definite reports of members at a meeting.

The upper part of the card, down to No. 1, is filled out at the association office and mailed to the member with the initial call of the meeting. The two columns on the card are for the member to fill in his report of business for a period; the first column for the business of one month, and the second column for that of the last week, the dates appearing after "from" and "to." The date appearing after "to" is the nearest possible date to the meeting itself. This enables the member to give a definite report of his business for the four weeks just preceding the date of the meeting and also a report for the last week before the meeting. The association reports, because of the necessity of their being compiled and

PLEASE BRING WITH YOU. IF YOU CANNOT BE REPRESENTED, THEN PLEASE FILL OUT AND MAIL TO THE SECRETARY AT THE PLACE OF MEETING

Meeting Report Card

At the next meeting of the .....
MANUFACTURERS ASSOCIATION to be held on....., 192 at.....m.
at.....
.....

will you please be prepared to report on the following:

	FROM / TO	FROM / TO
1 Orders Received	..... %	..... %
2 Orders Unmade	..... weeks	..... weeks
3 Production	..... %	..... %
4 Shipments	..... %	..... %
5 Stock of Finished Product on hand	..... weeks	..... weeks
6 Stock of Raw Materials on hand		
a. Steel	..... weeks	..... weeks
b. Cement	..... weeks	..... weeks
c. Coal	..... weeks	..... weeks

7 Labor Situation in your locality
.....

8 Freight Situation in your locality
.....

9 Any other facts you think of interest
.....
.....

Name.....

Form 1. Report of Members at Meeting. (Size 4 x 7.)

mailed to the members by the association always cover a period up to about a fortnight before the meeting, so that these individual meeting report cards help to bring the report of the business up to date.

Limiting the Time of Speeches

There was once a somewhat loquacious man who upon returning home from a town meeting was asked by his wife if it had been a pleasant and successful affair. "Why, yes," he said, "I did most of the talking."

It is a peculiarly human thing that when a member leaves a meeting he always feels better if he has had a chance to say something. Some members may wish to enlarge this chance a little too much; but for the general good it is always well, if the size of the meeting will permit, to give each member a chance to be called upon.

In order that no member may monopolize all the time given to discussion from the floor the presiding officer often reads and has adopted by those present simple rules or agreements for the meeting. These rules should make it clear that all discussion must be pertinent to the subject or motion under consideration and that no member can talk for more than, say, five minutes on any one subject except by permission through acclamation of the meeting. Sometimes a meeting will adopt rules allowing no one to speak more than once during the entire discussion of a subject, but this is generally too severe. A time limit is a good thing to make a man speak clearly and briefly. The presiding officer raps when only one minute of the speaker's time is left thus allowing him to close what he is saying. At the end of a speaker's time the presiding officer arises or raps. A sense of good-natured humor must pervade all a presiding officer does, especially in calling time, but a member very seldom takes offense when time is called upon him.

The Desirability of a Stenographic Record

It is because of the possible misinterpretation of general discussion that it is necessary and desirable to have a stenographer present at every meeting to take down everything that is said. At first the members may feel that this will hamper the freedom of the discussion, but after a while they will not be troubled in the least on this score. The advantage of the practice is that if anyone who investigates the association ever questions what was said at a meeting, or if any member who does not recall quite clearly the maker of a certain statement wishes verification, the written records are there to be consulted. A written record of everything said at a meeting is also necessary for legal reasons, as will be indicated in a subsequent chapter.

Unfinished Business

Unfinished business should always be brought before the association and if possible passed upon and put out of the way. Under both unfinished business and new business obvious motions that are to be made should be written out and given to certain members who would be likely to make such motions. This clarifies motions and helps speed up the meetings. Of course, only motions that have reference to routine business would be written out beforehand. Simply because some motions are written out is no reason why one cannot make a motion or amend one as read if he wants to, provided his motion or amendment relates to the subject under discussion.

Under unfinished business come the reports of standing committees. The chairmen of these committees should be notified before the meeting that such reports from their respective committees are to be called for so that each chairman can be prepared to give his report without any unnecessary delay.

New Business

New business may be presented either by the officers or by some committee, or may be brought up on the floor by members. New business consists of subjects which have been suggested to the association for consideration or discussion at the meeting. The specimen program indicates that Mr. Black has suggested an investigation of foreign exchange and so he should, when called upon, be ready to present that subject; Mr. White has suggested that weights should be standardized and should therefore be prepared to present his views.

Summary by the President

Often at the annual meeting of a large national association the president will read a written report, which of course should come before the report of the secretary; but in smaller associations it is quite desirable that either the president or secretary, or someone appointed for such a purpose, should at the conclusion of the meeting summarize and crystallize in a few words all that has been said at the meeting. This gives the members something definite to take away with them and does not allow them to leave the meeting with only a hazy idea of what has been discussed, or with the notion that nothing much was accomplished.

Adjournment

In adjourning a meeting the time and place of the next meeting should be determined, if possible; or this matter should be left, with power, to the president or executive committee.

Report of Meeting

Some associations make it a practice to send all absentees a copy of the minutes of a meeting. Others send all members a complete edited stenographic report of everything that was

said at a meeting. Such a procedure is entirely optional, but as a general thing it is not desirable because members are not always as careful as they should be with the private records of an association. It is far better for the secretary to write a letter to each absentee stating that he is sorry the member could not be present and giving the absentee a short sketch of what occurred at the meeting.

Secretary's Annual Report

One so often attends an annual meeting of some association and listens to a secretary read for half an hour or more a long-winded, verbose report, that the listener is inclined to be disgusted not only with the secretary's judgment but with the meeting itself. Such a lengthy report is better read by oneself than heard, and is still better if not heard or read at all.

This does not mean that the secretary should not make a report, but that his report should be in simple outline form and not over a page or two long. All that the members want to know is exactly what has been accomplished, what work is in progress, and what work lies before the association. Merely state this in outline form and let the report go at that. It may not be as complete as a tome, but it at least will be heard or read by the members and will have a stimulating rather than a soporific effect upon them.

Reports in General

All reports of committees or of officials of an association should be made as brief and direct as possible. The average business man has no time or inclination in these days of many newspapers and periodicals to sit down and read through some weighty, lengthy report. He will read and digest an outline; and then if he is sufficiently interested he can go back to the original records. This does not make for

superficiality, but rather for conciseness and for getting results. A report is issued generally to get results, not as a literary exercise. Results are always more certain when you can get people to listen to or read a statement, no matter how brief it may be.

Voting in a Meeting

A definite plan of voting should be determined on in order that there may be no conflict as to whether or not there was a majority upon the passage of any question. If a firm is an individual member, the vote may be cast by that individual member; if it is a copartnership, by one of the partners; if a corporation, by any officer of such corporation; but as a general rule in no case, no matter what the importance of a member may be, ought he to be entitled to more than one vote. This is a matter which will have to be adjusted by each association, because sometimes on some questions the larger companies feel that they should be entitled to proportionately more votes than the smaller; and yet on the other hand if all are entitled to only one vote, then the small member can feel that he counts for just as much as the large one.

How to Keep Minutes

As soon as possible after a meeting the secretary should write or dictate the minutes of the meeting, following the form of business procedure given previously in this chapter.

If he dictates the minutes, he ought to correct carefully the stenographer's draft and have a final copy made for his minute-book; for the permanent records of the association should always be kept in perfect form. By a simple system of indexing, any vote on any particular subject may be recorded in such a manner that it can easily be referred to if desired.

The form of the minutes should be kept simple. It is not necessary to state who made and who seconded motions; such details are given in the stenographic report. The minutes must be clear and concise. The following outline shows all that is necessary:

MEETING OF
THE ..... MANUFACTURERS ASSOCIATION
..... (Place)
Thursday, May 19, 1921, 10:30 A. M.

A meeting of the ..... Manufacturers Association was held (place) on Thursday, May 19, 1921, at 10:30 A.M.

President John Smith presided.

I CALL OF THE MEETING

The Secretary read the call of the meeting issued by order of the President on April 26 and the reminder issued on May 13.

II ROLL-CALL

There were present representatives from the following members:

Richard Roe and Company	John Doe
John Smith Manufacturing Company	John Smith
Etc.	

The written application for membership of the Crescent Manufacturing Company of Albany, New York, was received and upon recommendation of the Executive Committee it was moved and

VOTED: That they be elected to membership.

The resignation of the Atlas Manufacturing Company of Chicago, Illinois, was received and upon recommendation of the Executive Committee it was moved and

VOTED: That the resignation be accepted with regret.

III READING MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were read by the Secretary, and it was moved and

VOTED: That the minutes stand approved as read.

IV Market Conditions

(a) Market Report by the Secretary

The Secretary gave a verbal report of business conditions illustrated by graphic charts.

(b) Market Conditions by Roll-Call

General market conditions were discussed by roll-call.

V Unfinished Business

None.

VI New Business

(a) Installation of a Cost System

The question of the installation of a uniform cost system was discussed, and it was moved and

Voted: That it be referred to a committee of five (5) to be appointed by the President.

Etc.

VII Summary by the President

The President summarized briefly the general points which had been discussed at the meeting.

VIII Adjournment

It was moved and

Voted: To adjourn subject to the call of the President.

Adjourned
Robert Brown
Secretary

Attendance at the Meetings

If possible each firm should always be represented by the same person. In this way the representative becomes familiar with the procedure and with what has taken place before.

It is quite desirable that the attendance at the meetings should be limited. Unless limited the meetings soon become large and unwieldy, and many may attend who do not understand what has been under discussion and who later, by loose

talking, spread rumors and misinformation, much to the disadvantage of the meeting and of the association.

Traveling Expenses

Some associations pay the traveling expenses of their members and also pay them so much a day for attending the meetings. They claim that this encourages the members who are far away to attend, since there is not an extra traveling expense burden placed upon them by reason of being situated at a distance. In many associations such a practice as this is frowned upon as the members feel that the benefits from the association are of so much importance that the matters of time and traveling expense are inconsequential.

The Annual Banquet

The annual banquet is nearly always a corollary of the annual meeting. There are several reasons why it is, and why it should be. It brings the members together in an unconstrained, free-and-easy atmosphere; it puts them on an equal footing as nothing else can do; and it cements their unity by social bonds, supplementing those of self-interest.

As everyone has attended the annual dinners of some association or club it is not necessary to describe or advise as regards their procedure, except for this one suggestion: if a dinner is held every year, and if it is attended by approximately a thousand members, there will always be some members who will want to sit directly in front of the speakers' table. The way to meet this difficulty is to have a fixed zoning system, that is, to have the banquet hall divided into three zones: number 1 being in front of the speakers' table; number 2, in the middle of the hall; and number 3, in the back of the hall. The members who at one annual dinner sit in zone number 1 sit the next year in zone number 3, and the following year in zone number 2; they then, another

year, start the cycle again by sitting in zone number 1. This seating arrangement cannot give anyone reason to complain because of not being in the front of the hall.

Of course exceptions have to be made in case a certain member is hard of hearing or for some other good and sufficient reason has to sit down in front, but these are individual cases; and even with these it should be carefully provided that no favoritism shall be shown.

Finally, always procure the speakers in advance. This saves the secretary from insomnia and premature gray hair.

Social Features

A number of associations hold at least one meeting a year at some place where the members can mix business and pleasure. Golf is the usual attraction. Special features such as outdoor beefsteak roasts, automobile trips, a baseball game among members, etc., all add to the occasion and have a wonderful effect in creating and cementing good fellowship among the members—all of which makes the association work easier and stronger.

Members' Wives at Association Meetings

A question is frequently asked whether or not it is desirable to have wives attend the meetings of an Association. There is no reason why any member should bring his wife to the actual meeting of the association as it is a business affair and there is little or nothing in the program that would interest a woman. Furthermore, there are few women who would want to attend. Members, however, in attending a meeting which is held at some resort, frequently take their wives with them which quite often makes it pleasant for everyone except the secretary, who generally has to see that some means of entertainment, such as automobile rides or excursions, are provided for the women.

It is a good policy, nevertheless, to urge the members of a trade association to bring their wives with them to at least one meeting a year, especially if that meeting is to be held at some attractive place where the women will be sure to have a good time. They do not, of course, participate in any of the business sessions of the meeting, but in becoming well acquainted with one another create pleasant friendships and help their husbands to carry away a more cordial feeling towards the meeting and association, which no doubt in many cases adds to a member's enthusiasm for the association.

"Some Ways to Kill an Association"

A recent meeting of the American Trade Association Executives, the national organization of association secretaries, was enlivened by the reading of the following ironical hints on "Some Ways to Kill an Association."

1. Don't come to the meeting.
2. But if you do come, come late.
3. If the weather doesn't suit you, don't think of coming.
4. If you do attend a meeting, find fault with the work of the officers and other members.
5. Never accept an office, as it is easier to criticize than to do things.
6. Nevertheless, get sore if you are not appointed on a committee; but if you are, do not attend committee meetings.
7. If asked by the chairman to give your opinion regarding some important matter, tell him you have nothing to say. After the meeting tell everyone how things ought to be done.
8. Do nothing more than is absolutely necessary; but when other members roll up their sleeves and willingly, unselfishly use their ability to help matters along, howl that the association is run by a clique.
9. Hold back your dues as long as possible or don't pay at all.

10. Don't bother about getting new members. Let the secretary do it.
11. When a banquet is given, tell everybody money is being wasted on blow-outs which make a big noise and accomplish nothing.
12. When no banquets are given say the association is dead and needs a can tied to it.
13. Don't ask for a banquet ticket until all are sold.
14. Then swear you've been cheated out of yours.
15. If you do get a ticket, don't pay for it.
16. If asked to sit at the speaker's table, modestly refuse.
17. If you are not asked, resign from the association.
18. If you don't receive a bill for your dues, don't pay.
19. If you receive a bill after you've paid, resign from the association.
20. Don't tell the association how it can help you; but if it doesn't help you, resign.
21. If you receive service without joining, don't think of joining.
22. If the association doesn't correct abuses in your neighbor's business, howl that nothing is done.
23. If it calls attention to abuses in your own, resign from the association.
24. Keep your eyes open for something wrong and when you find it, resign.
25. At every opportunity threaten to resign and then get your friends to resign.
26. When you attend a meeting, vote to do something and then go home and do the opposite.
27. Agree to everything said at the meeting and disagree with it outside.
28. When asked for information, don't give it.
29. Curse the association for the incompleteness of its information.
30. Get all the association gives you but don't give it anything.
31. Talk co-operation for the other fellow with you; but never co-operate with him.
32. When everything else fails, curse the secretary.

Those who have had experience with organizing a trade association and guiding it through the first experimental years will appreciate this good-humored recapitulation of the difficulties arising from these weaknesses of human nature.

CHAPTER VIII

COMMERCIAL FUNCTIONS

An Association a Business Venture

When a man joins a trade association he joins a business organization. He may be a member of some board of trade or chamber of commerce, but as such he feels that he is more an altruist or philanthropist than a business man. He is prompted to be a member of a civic organization because of a local pride and a proper desire to see his town or locality prosper. As his town or city may prosper, so he likewise will get certain benefits; but fundamentally he is a member of a civic organization through a desire to help somebody else rather than to further his personal interests.

When he joins a trade association it is on a more or less selfish basis. John Jones, for instance, did not engage in the milling business in Indiana for the purpose of assisting James Brown in Massachusetts to live a more pleasant life. Mr. Jones began his milling business to make a living for Mrs. Jones and his family, which, although in a more critical sense is selfish, is not in the least unnatural or reprehensible. And so if Mr. Jones and Mr. Brown should both happen to join a trade association made up of millers, they would do so not so much to help each other as to further their own individual interests.

But of course while the bettering of one's business and general affairs may be a man's purpose in joining a trade association, yet in a little while he gets a broader vision, becomes a bigger man, and consequently is often willing to help the other man. In thus helping the other man he gains at least some indirect benefits for himself.

Functions of Association

A trade association must be looked on not as a charitable, civic, or impersonal movement but as a business organization conducted by a business man, namely, the secretary. As a business organization the trade association has two important groups of functions:

1. Its commercial functions, which are its activities in connection with buying, selling, credits and collections, etc.
2. Its industrial functions, which are its technical activities in connection with economy in production, information relative to production, standardization of various kinds, etc.

Commercial Functions—Purchasing

The first of the obvious commercial activities of a trade association has to do with improving conditions for the purchase of raw materials and supplies. An item which largely attracts the attention of the association member is the effect of his association membership on the prices of his line of raw materials. It is surprising to the uninitiated to learn how wide a price range for the same kind of materials may exist in any particular industry. This is especially true where goods are purchased through jobbers. The retail dealer who attempts to secure a standard article often finds that the jobber's price is so near the listed retail price that it is impossible for the retailer to handle the article at a profit. This is the reason why many manufacturers advertise their goods to ultimate consumers at uniform prices. A good example of this is the sporting goods catalogues.

Advantage of Knowledge of Favorable Prices

If a merchant discontinues any line because he feels there is not enough profit to be made—and it may be a widely de-

manded product at that—he not only loses the business but drives away considerable additional patronage that would be brought to him through the sale of such lines of goods. The retailer knows that other dealers are handling this product at a profit and surmises, therefore, that other jobbers are offering more favorable prices. He is handicapped, however, by not knowing what is the best price. If some idea could be given him in regard to the prevailing rates he would be in a better position to demand fair purchasing prices.

The same thing applies to mills in their purchase of raw materials. For this reason it seems most desirable, as is shown in a subsequent chapter, for the manufacturers, merchants, or retailers to exchange among themselves prices at which materials or goods have been purchased. Of course in doing this care must be exercised that there shall be no agreement or collusion to make a producer or a distributer sell any commodity at a price below that which he is asking. Such an action would be a restraint of trade and therefore unlawful.

Raw Material Information

Some associations have gone even farther along legal lines than merely to exchange reports on purchases, and have actually established purchasing or price bureaus or subsidiary associations to enable their members to buy under the most favorable conditions, as discussed in Chapter XII. Other associations merely exchange among the members information about goods purchased and prices paid. It may be a bureau of information, the existence of which is necessitated by the inability to get accurate and full information from any other source, or it may be a bureau for the actual purchase and distribution of supplies. No averages on prices are struck, however, and no particular source of supply is recommended. The purchaser has absolute freedom to choose from whom

he may purchase his goods, the same as a woman when she picks up her morning paper and looks over the advertisements to see where she can most favorably purchase a gown.

By a system of confidential reports from the members, the association's files are kept up to date and are made representative of all sections. Members secure the information contained in the files upon request, and in return contribute their own experiences when asked. (See raw material reports in Chapter XVII.) Contrary to what one might imagine, this system offers little opportunity for favoritism or discrimination. The usual information supplied quotes all the figures at which the goods in question are being offered but does not divulge the name of the concern from which such prices may be obtained. The purchaser, upon receiving these prices, can then see what the range is and determine for himself at what price he would like to purchase the material or goods.

Selling

Another commercial function of a trade association has to do with selling. Problems similar to those described in connection with the purchase of goods arise also in connection with their sale. What an association can do and should do in this field is as yet, however, undetermined; and it is possible here to take up the subject only in a general way and note broadly a few points.

First of all, it should be said that there must be no echo or paralleling of the old monopolistic pools. Their joint selling arrangements were planned merely to bring immediate profit to the members of the pool. An association must be careful that if any arrangement is established for joint selling there is no attempt or desire on the part of the members, either directly or indirectly, to impose the weight or power of the association on the purchaser.

Costs

The matters which fall within the scope of an association's selling bureau have to do mainly with marketing conditions and trade practices, but only in a minor degree with price levels.

So far as prices are concerned, indeed, the effort of the modern association is chiefly to develop and disseminate a scientific attitude towards an accurate knowledge of them. For example, the main objects of the National Retail Monument Dealers Association are to improve the character of cemetery memorials and to establish a standard selling price, not by legislation, but by a system of education as to correct factory costs. Since it is recognized that the establishment of a fair selling price is directly dependent upon a proper knowledge of costs, the price problem is not now so much a commercial problem as it is a production or industrial one. In subsequent chapters of this book the matter of costs and also that of legal price maintenance are discussed more in detail.

Types of Distributers

In connection with selling, one important matter for an association is a clear differentiation between manufacturer, jobber, and retailer as to field and functions. Price demoralization is often a result of misunderstanding here on the part of one or more of these distributers. Concerns of different types in their eagerness for business often encroach on one another's fields, thereby not only seriously damaging those whose business they have taken, but also injuring themselves and the trade in general. For instance, a manufacturer sells to a retailer at the manufacturer's price without any regard for the jobber. This places the jobber at a hopeless disadvantage for he cannot attempt to meet the manufacturer's price.

The Trade Association and Distribution

The policy of a trade association is not to encourage the manufacturer to sell directly to the dealer, nor the jobber to sell directly to the consumer. Its policy is one of "live and let live." This is not an argument for or against the middleman. Whether he is a necessity or not is entirely apart from the question in hand; he exists, and since he exists the association cannot ignore him. It is outside the province of the trade association either to defend him or to take an unfair advantage of him. If the manufacturer sells to the wholesaler, the jobber to the retailer, and the retailer to the consumer, the association recognizes the rights of all. And if any one of these factors skips the next logical step and sells over the head of his recognized purchaser to that purchaser's customer, he engages in a practice which is unfair.

Manifestly, it would be wrong for a manufacturer to stock regular jobbing distributers with goods, and then go over their heads and sell to the jobbers' customers at lower prices than the jobbers could sell. It has been done, but never with continued success; some concerns, as for example the Liggett stores, are manufacturer, jobber, and retailer.

Through trade associations, committees, and a general system of education, manufacturers, wholesalers or jobbers, and retailers are taught to respect the rights of the customers of all the others. In order to live up to their principles, most associations bar from associate membership concerns which exercise improper functions. The modern trade association does not attempt to coerce its members; it merely keeps them informed about actual conditions and suggests to them the best and most effective way of doing business. Thus the selling of their product, while not handled directly by the association, can by the proper kind of principles and publicity on the part of the association, be largely influenced for the betterment and fairer treatment of all.

Terms of Sale and Discounts

A matter to which an association cannot safely give attention is that of terms of sale. Often a seller may not know when the allowance of money or time which he gives a customer is too large or too small. Where conditions of sale vary widely the buyer ordinarily can request and receive the most unusual and unwarranted terms.

But under the law a trade association may not remedy this condition. It may not adopt a standard schedule of discounts and terms which are generally observed throughout the trade for in so doing it is agreeing as to price, since discounts are absorbed by and are therefore a part of price. And it is just as legally wrong to agree as to part of the price as it is to agree as to the whole price.

Cancellations

Another current abuse in the selling of goods in almost all manufacturing industries is found in the tolerance of unjustifiable cancellation of orders and the return of goods without cause. This abuse has led many retailers to defer the placing of their orders until late in the season, for then they can buy orders that have been canceled or returned at almost their own price.

Cancellations and returns not only cause a direct loss to the manufacturer but cause a great loss in waste, and therefore have become distinctly an association problem. In order to eliminate this practice a number of associations investigate all reported cases with a view to enforcing the rights of their members by lawsuit if necessary. The mere fact that the other manufacturers are willing to share with the injured member the expense of such litigation is indicative of the broad attitude with which these organizations regard vexing trade problems.

Other associations handle the cancellation and return

questions in much the same way as the credit rating and reporting. The experience of members with their various customers is recorded carefully, so that when inquiry is made relative to the standing of a particular dealer the answer may show whether he is an habitual canceler and returner of goods.

Advertising—Twofold Function of the Association

The trade association has a particularly useful function in connection with the important and diverse phases of selling comprehended under advertising and publicity. Its activities of this sort may be grouped under two general heads: In the first place the association can do a great deal toward increasing the public demand for the product of the industry which it represents. In the second place the association can do far more than any other agency toward suppressing dishonest and undesirable advertising. In order to carry through effectively their advertising programs many associations are maintaining regular departments or bureaus of advertising and publicity.

Increasing the Demand

It is the natural desire of those who direct any business that it shall grow, and become of greater significance and usefulness in the community. To that end it must increase the sales of the commodity it deals in which involves increasing the demand. For trade associations, the systematic effort to increase the demand for the products of the industries they represent constitutes an important activity.

The best method of increasing demand is by way of informative advertising. Thereby the story of the value of the industry is brought to the attention of the public, and the public is educated to the point of deciding that it wants or needs the article advertised. In teaching the public the value, desirability, and method of using a product or service,

associations create new customers and increase the patronage of old ones. Skookum apples and Sunkist oranges are demanded on the Atlantic Coast from the Pacific Coast growers because of association advertising, shipping, and distributing. A man is shown the healthful advantage of eating "an apple a day," or the various ways in which oranges may be prepared, and thus an increase in demand is created.

The trade association can in this way undertake advertising which is not competitive, which advertises only the product of the industry. That is to say, an association of coffee dealers would advertise coffee merely as coffee, and not any particular brand. Their object would be to create a greater demand for coffee, to make it the great universal drink if possible and so increase the sales of all brands of coffee, thus benefiting every dealer in the association. Therefore association advertising is independent and exclusive and on the order of direct, collective propaganda. It educates the public in general basic principles which apply to all varieties of the particular product.

"Pooled" Advertising

By reason of the money that can be utilized "pooled" advertising, another name for association advertising, is always far more efficacious and wide-spread than individual advertising. The Portland Cement Association regularly expends hundreds of thousands of dollars a year merely in showing the advantages of good material and workmanship in roads, houses, barns, walls, pig-pens, and all such buildings and construction work, as most people deal only with the medium of wood.

Of course with a product like Portland cement this can be done with comparative ease, because Portland cement is simply Portland cement; whereas an article such as a piano, which, through the efforts of man's ingenuity working on a

mixture of materials is a product with which those materials primarily had no particular relation, presents an individuality which demands exclusive advertising. And yet the Music Industries Chamber of Commerce, being a combined association of the producers of all kinds of musical instruments, even those of a mechanical nature such as the phonograph, is making a national effort to create a greater appreciation of music. The thought is that when, later on, each member comes to advertise his product separately, he may find a greater response to his individual efforts.

Various Methods Employed

The Laundrymens National Association of America has endeavored through a recently conducted publicity campaign to show the public what a modern American laundry really is, with the result that people are ready to send more of their delicate goods to laundries, which they had previously supposed were equipped with something like threshing machines. A series of pictures showed how carefully all goods were handled in a modern laundry.

Prominent among the associations that have been conducting advertising campaigns with the object of increasing the demand for their product are those representing lumber industries. To explain the value of their lumber either for structural or for flooring purposes these associations have been making extensive use of magazine advertising.

An excellent example of how such advertising is handled may be found in the activities of an association which represents another structural commodity—brick. The American Face Brick Association is increasing the demand for its product by advertising the beauty of houses constructed of that material.

Another instance is that of the canning industry. This work during recent years has undergone many changes.

Through the introduction of pure food laws, provisions for uniform grading, and regulations as to branding, canned goods have been greatly improved and have become a safe, inexpensive, palatable, and convenient form of food. The National Canners Association, by conducting a splendid laboratory in Washington for research work, and by impressing upon the public the purity and perfection of their product, have overcome much of the former prejudice against canned goods, with a consequent increase in the total consumption.

Slogans

In a somewhat similar way the florists, with "Say it with Flowers," have started a national slogan which suggests action and results in an increase in the use, and hence in the sale of flowers. Many associations use slogans which catch the attention and suggest action toward their respective products.

Indirect Advertising

One of the methods used by the Automobile Dealers Association to increase the sale of autos has been their effort to combat hostile legislation such as might possibly discourage the use of automobiles. By opposing in state or city ill-advised measures for traffic regulation or ordinances otherwise inimical to the welfare of the trade, and at the same time advocating favorable measures, the Automobile Dealers Association has been constantly improving conditions for the automobile user.

This method of advertising may be called "indirect." It is helping to create a demand for automobiles by eliminating conditions that make owning or driving one disagreeable.

Exhibitions

Trade associations or groups of allied industries sometimes undertake to emphasize the importance and value of

their products by means of exhibitions. They feature either the product itself or the processes of manufacture, and utilize working models, motion pictures, or other means. This tendency sometimes leads to what are known as industrial fairs, which in various forms are becoming popular in this country as a means of educating the public to an appreciation and a consequent increased use of the various products exhibited.

The machinery hall at one of our state fairs is a familiar type of industrial fair on a small scale. The Leipzig Fair in Germany is an outstanding instance of a much more extensive sort of industrial exhibition, which American manufacturers are seriously thinking of developing.

Another variety of exhibition is the traveling fair. This may be of many kinds: the exhibition may travel on a "fleet" of automobiles, as in the case of some exhibits by makers of farm implements and supplies; it may be in a railway-car, like the exhibit of the United States Fish Commission; or it may be on an ocean liner, such as the exhibition of American-made goods which has recently visited all the great ports of the world.

Motion Pictures

Motion pictures are also widely used not only by individual manufacturers but by associations in carrying forward propaganda to gain the understanding and appreciation of the public for the importance of their industry and product.

The Ford Motor Company through its educational films, which have a wide distribution throughout the country, is doing much to educate the people as to how different products are made. In this the Ford Motor Company have prepared most of their films of an industry under the direction of the particular industry's trade association. And in thus understanding the simple process of the manufacture of these products the public is rightfully led to appreciate their value.

Overstimulation of Sales a Danger

Like everything else, however, this effort to create greater demand can be overdone and associations in seeking to increase sales may crowd the market too much. A striking instance of market crowding is that of the United States Brewers Association which by establishing too many saloons made it necessary for them, in order to pay overhead expenses, to handle hard liquors as well as light wines and beers. The result was national prohibition which, though directed primarily at hard liquors, has likewise eliminated the brewing and sale of beer. If a number of years ago, the United States Brewers Association had followed the advice which they at that time received and had separated themselves from the hard liquor business, prohibition might not have come at all; and if it did come it would doubtless have affected only the hard liquors.

Raising the Funds

When an association has decided on an advertising campaign adequate funds must be raised whereby the campaign can be carried on. These funds can be raised through assessing each member according to some unit of production, such as pounds, feet, numbers, gross sales, or on mercantile rating. For instance, the funds for a recent campaign of the Metal Lath Association were raised by basing the member's assessment on the number of square yards of metal lath he sells; and the funds for a similar campaign of the Granite Manufacturers Association at Barre, Vermont, were raised by assessing each participating member, on a basis of the rough cubic feet of stone coming from the quarries.

The Joint Coffee Trade Publicity Committee of the United States is raising funds for its advertising and educational campaign by a method that is unique. It has secured the cooperation of the Brazilian planters and through their intercession the government is levying a tax of 100 reis on every

bag of coffee that arrives at the junction points of Sao Paulo, the money so collected being remitted to the Joint Coffee Trade Publicity Committee in monthly instalments.

Suppressing Dishonest Advertising

The second of the special duties of an association in connection with advertising and publicity is the suppression of dishonesty and misrepresentation.

Associations are interested in the truth of all advertisements of their product, whether issued by the association itself or by members. Dishonest advertising has been referred to as the "black flag at the mast-head of the mercantile pirate." Aside from the ethical and moral arguments there are many economic and business reasons against dishonest advertising. That the consumer is hurt by misleading statements is obvious; but he is by no means the only one injured.

For years the policy of misrepresentation reaped such rich rewards that honest merchants were seriously handicapped in the race for business. That is to say, if a merchant advertised his business soberly and honestly he had little chance with the merchant who made extravagant and specious claims for the commodity in which he dealt. If, again, a merchant did not make guarantees for goods which he knew could not be guaranteed, or guaranteed them only as their quality warranted, how could he compete with the man who made wholly misleading and dishonest guarantees? The public could not distinguish between the two commodities until it had bought one of them; and it nearly always bought the one for which the more alluring claims were made. The natural result was that after a time the public became suspicious of all dealers; and the honest dealers who had not sown this suspicion reaped its results as well as those who were responsible for it.

The associations have realized the evils attendant on this condition, and are remedying them.

Supervision and Control

The first step taken by an association to insure truthful advertising is to insist that all members employ only legitimate methods of publicity. By disqualifying violators of the code of ethics after due warning is given some associations cause membership to be regarded as a mark of trade approval.

An illustration of this attitude is found in the methods of the National Association of Piano Merchants of America. The piano trade at one time was rather largely afflicted with a prevalent advertising abuse in the form of special sales, buying clubs, and other extraordinary offers. It is needless to go into the details of these schemes, for they all practically amount to a gross misrepresentation of merchandise. And yet, owing to the equivocal tenor of such advertisements, it was difficult to prove that fraudulent representations had been made. The names of well-known makes of pianos were brought into disrepute through incongruous relationships, and the legitimate dealers and makers suffered from the transgressions of others.

It was this condition that led the National Association of Piano Merchants to adopt the following policy:

> This Association condemns the practice of advertising instruments in regularly carried lines unless the advertiser offers them in good faith and stands ready to sell said instruments at once to any buyer.

Methods of Insuring Honesty

The way in which the National Association of Piano Merchants of America pursues its work for the so-called uplift plan of truthfulness in advertising is typical of the methods of most associations engaged in similar activities. Reforms in the piano trade are being accomplished:

1. By invoking the aid of the Post-Office Department, the most effective way of exterminating guessing and other forms of contest advertising.

2. By calling upon the state legislature for enactment of a law making it an offense punishable by fine and if necessary imprisonment to issue any forms of misleading advertisements that are hurtful to the morals, health, and pocket-books of the public.
3. By bringing some pressure to bear on manufacturers who are made unintentional parties to fraud through permitting the use of their names and reputations without protest, and by bringing strong pressure to bear on manufacturers who aid and abet these scheme-artists in their practice of humbugging the public.
4. By dropping from membership those concerns that fail to comply with the spirit and letter of the association constitution.

A Bureau of Advertising and Publicity

Trade associations are more and more learning that in order to handle their activities in connection with advertising they need a well-organized advertising department or bureau, under the direction of a competent and experienced advertising man. Such a bureau can be of use not only to the association as a whole but also to the members individually.

Services to the Association

Whatever advertising is done must be carefully planned and must be supervised by a manager of considerable experience. No association, any more than an individual manufacturer, should attempt any advertising unless it intends to go the limit and to have faith in indirect results. Temporary advertising is merely a "flash in the pan"—money thrown away. The benefits of advertising to an individual or to an association are cumulative; being indirect it needs considerable money and faith behind it. But not even a liberal supply of

money and faith can produce full results unless such advertising is handled by an expert who knows how and where to place it. With a competent man in charge, a well-organized bureau can be developed which can make a systematic study of publicity problems in their manifold and intricate relations.

Services to Individual Members

Such a bureau can be of great assistance to the association members individually, besides furnishing sound and constructive advice for the conduct of legitimate and effective advertising. For one thing, by means of a general mailing list worked up by such a bureau, a vast amount of unnecessary duplication of mail matter may be saved. By getting all the members to contribute their mailing lists to this general one duplications can be eliminated and a complete list can be made up for the industry. When members have notices of general interests to be mailed this bureau can handle the matter, and coming from such a source the notices are likely to receive more particular attention.

The service activities of such a bureau with regard to the individual members may be stated more specifically as follows: (1) to assist members in the development of their own businesses through the judicious use of modern advertising methods; and (2) to provide practical advertising assistance and service to members in behalf of their customers. In other words the advertising bureau of the association is also the advertising department for any one of the members' companies, to be used whenever needed. This does not mean that a large company which has its own advertising department need give it up and have its advertising done by the association bureau, nor that any member is at all obligated to make use of the bureau in this way, merely that all members and their advertising departments are free at any time to receive the assistance, when they desire it, of the association bureau.

CHAPTER IX

INDUSTRIAL FUNCTIONS

Range

The industrial functions of a trade association are of a technical or scientific character. They embrace a study of sources of supply, conservation and classification of raw materials, standardization of manufacturing and operating processes, packing and marketing of product, and shipping.

Information Regarding Materials

We have already considered the conditions under which materials are bought; let us now consider the materials themselves. Since the value and quality of the finished product are dependent upon the supply of raw material, manufacturers must have some idea of the amount available.

Many trade associations supply such information in the form of comparative charts, statistical tables, and reports. The character of this information is of course affected largely by the nature of the trade for which it is procured. In the silk goods industry, by way of illustration, the best measure of available material is found in the records of the imports of raw silk. Recognizing the value of such information, the Silk Association of America maintains a bulletin service consisting of four different periodical publications. These bulletins classify silk imports, show quality, foreign invoice value, duty collected, pound value, average duty per pound, and ad valorem rates. In addition, the regular reports of the association contain estimates of the silk crop for the coming year, together with figures of preceding years and statistical tabulations covering every phase of the industry.

Likewise the cotton, leather, textile, paper, rubber, steel, and other trade associations maintain for their members similar information as to sources of supply of their raw materials.

Standardization of Raw Materials

A number of associations, by co-operating with raw material dealers who themselves have associations, have brought about a standardization of raw materials to facilitate intelligent buying. For instance, in the selling of rags to paper-mills a number of the raw material dealers used to call various kinds of rags by different names, which led to great confusion. The paper manufacturers persuaded the raw material dealers to adopt definite names and gradings for specific qualities or kinds of rags. Nowadays when a paper manufacturer purchases a certain quality of rags by a specific name he knows exactly what he is getting.

Standardization and Price

Unless the manufacturer, merchant, or retailer understands just what quality of material he is buying the price means little to him. A single grade of raw material or of finished product may be known by a score of quality names, while the wide variation of methods of packing and of widths and lengths makes it practically impossible for the purchaser to compare values on a fair basis. To overcome these irregular and misleading conditions associations are insisting upon greater uniformity in the grading of materials and products. In this connection one example will suffice, that of the inspection department of the National Hardwood Lumber Association, employing over 100 inspectors, who continually inspect all hardwood lumber throughout the country.

Other examples of standardization of raw material could be given, but all are similar and all go to establish the general

rule that the raw material dealers in their association should standardize for the manufacturers, just as the manufacturers should standardize for the wholesalers, the wholesalers for the retailers, and the retailers for the ultimate consumers. Thus through eliminating incorrect names and needless varieties larger production is secured at a lower cost, with a consequent lower price.

Conservation

Once awake to the question of supply, the progressive business man begins to consider his sources of material from the point of view of an effort to extend old sources and to discover new ones. One of the best methods of increasing the available supply of the product needed for manufacturing is through the conservation of its sources. The lumber industry faces the serious problem of a rapidly diminishing supply of timber. The Forestry Commission of the National Wholesale Lumber Dealers Association was organized for perpetuating the raw material which forms the basis of all lumber business. The efforts of this body are exerted chiefly along educational lines and in making recommendations for favorable legislation.

The paper industry likewise will be faced with a serious pulp shortage in a little more than a score of years unless reforestation is immediately undertaken to offset the diminishing supply of spruce wood. How necessary it is to preserve the dwindling spruce forests can readily be appreciated when one considers that a single large metropolitan newspaper consumes 25 acres of woodland in a single Sunday issue, although of all lumber annually cut in this country the paper and pulp industry consumes only 7 per cent of the total. The American Paper and Pulp Association only recently has selected for its secretary the former dean of one of the largest schools of forestry in the United States, in order to be better able to

provide for the immediate conservation of the natural resources of the industry.

New Sources of Material

A few of the more important national associations are constantly conducting scientific research to find new sources of material. Any practical discoveries resulting from this work immediately become the property of the entire industry.

The scientific bureau of the National Association of Paint Manufacturers is studying the best methods of raising the flax plant from which linseed oil is made, and is testing the value of substitutes. The ordinary manufacturer could not afford to spend the necessary funds to conduct work of this kind, nor would he be particularly concerned about the supply of his raw materials beyond the immediate future. The spirit and possibilities of the trade association make this type of activity a reality.

Economies in Production

One of the best ways of conserving raw materials is to eliminate waste in production and to discover new ways to utilize by-products. Some associations are doing a great deal with regard to this point. Systematic study of waste and of the utilization of waste materials by specialists, and information offered by members themselves, constantly increase the efficiency of the industry concerned. Careful records of waste materials are compiled from information received from the many factories contained in an association, and these are issued to members as aids to production efficiency.

The American Newspaper Publishers Association compiles quarterly reports of pressroom waste which show the comparative efficiency or inefficiency of various newsprint-mills and pressroom hands, a work that profits the publishers and improves mill service and pressroom handling of paper.

Two other essential association activities in connection with manufacturing and operation are those of trade-schools and costs, which are discussed in later chapters.

General Research Work

A number of associations carry on laboratories for general research work. The National Association of Master Bakers is establishing a large laboratory in Washington where various experiments in making bread, pie, and cake will be carried on with different kinds of grains, and the results reported to the members of the association.

Many examples could be cited of different associations which carry on work that looks toward higher and more uniform standards in their industry, but the facts and advantages of such work are obvious without the necessity of further illustration.

Manufacturing Operations

Once the raw material is purchased the manufacturer or producer is confronted with the problem of creating his product. Then appears one of the chief benefits of the association. The great mass of experience obtained from members is always available for the use of any one member. In particular, the old idea that every mill must be closed to all competitors as all processes are secret has been done away with. There are, of course, certain secret processes for the making of specialties which manufacturers have covered by patents, or which for some other reason are not divulged; but as a general rule every factory is now open to competitors, who are free to walk through at any and all times and to pick up any suggestions of which they may approve.

This opening of the factories and manufacturing processes to the inspection of competitors is a good thing, for two reasons. In the first place, if such an inspection can help the

competitor improve his product the whole quality of the industry is brought up that much more, without appreciable hindrance to the sales of the men who furnished the information. In the second place, the man who opens his factory to a competitor may receive from that competitor some suggestion quite as valuable as that which he imparts. This is not a theory, but a fact; the manufacturers affirm that it has proved true a great many times.

Experimental Departments

Apart from the vast storehouse of collective information brought out in the discussions at meetings, some associations conduct experimental departments in which new methods are carefully tested. Any new development of interest to the trade is promptly given to all the members.

Carefully prepared tables showing technical details, manufacturing formulas, and machine operations are circulated throughout the trade. Special inquiries made by members in regard to some phase of production are answered by well-qualified men, often experts in the particular field concerned. Information of special interest may be distributed either by detailed reports or by means of an exhibition of material results sent from one member to another; or it may be deposited at some point accessible to several members.

Some of the large national associations have developed, as subordinate or affiliated bodies, technical associations the activities of which are discussed in Chapter XII.

Standardized Production

Some industries have within themselves certain practices which are most undesirable, particularly too wide a variation of standards. The recent war brought out some interesting cases when the War Industries Board attempted to regulate the different industries of the country.

It was found that the saw manufacturers were making more than 100 different kinds of saws whose patterns were simply duplications and wholly unnecessary. The bathtub manufacturers were making numberless bathtubs with differences so slight that the average man could not tell them apart; one standard bathtub, for example, had a roll of 3 inches, another a roll of 2 inches, and another a roll of 1 inch; but who ever noticed in getting soberly into a bathtub how much of a "roll" there was on it, provided the tub looked reasonably well designed?

As a matter of economy, the War Industries Board compelled the manufacturers of saws, plows, bathtubs, corsets, paper, lumber, glassware, and all common commodities, to stop making an endless number of designs which were really unnecessary and had been created only to suit the caprice of dealers.

So sensible and advantageous was this method of compulsory standardization that no industry which experienced regulations of this kind will ever go back to making as many varieties of the product as it did before. By concentrating on a few standards production can be increased and production prices can be made more reasonable; and all without any individuality being lost.

Educating the Public in Standards

Other standards may be those of quality, color, finishing, packing, and shipping. These standards can be established when the manufacturers get together and decide on what should be the best practices to follow. Then trade customs can be established and adopted by all the members. A member, however, should not be compelled by a fine or a threat to adhere to a trade custom, for then he approaches it in the wrong attitude of mind. He should be so thoroughly convinced of the economic advantages to him in following such

practices that he will voluntarily follow the suggested custom.

Of course there are certain people who can never be convinced, who do not and will not live up to trade customs. It is sometimes hard for a salesman to insist on certain trade standards and not yield to the wish of a buyer when that buyer insists, very often wrongly, that the salesman's competitors will make the proposed concessions and therefore that he would expect them from the salesman himself. But after purchasers begin to realize the advantages to them of uniform practices upon the part of the producers or distributers of a product, they will engage less and less in the sharp practice of endeavoring to get some little concession in order that the product which they purchase may seem to be a little different from that purchased by somebody else.

United States Bureau of Standards

The United States Bureau of Standards in Washington is also carrying on a splendid work for all industries in the country, in establishing accurate grading or standardization of products. Any industry which has come in contact with this bureau has learned its value. And any trade association that has not acquainted itself thoroughly with what this bureau with its wonderful equipment can do for an industry had better lose no time in finding out all it can about this service.

The Association and Labor

Another industrial function of an association is that of encouraging among its members the right attitude towards labor, which of course is a chief element in production and in costs.

This statement does not in the least mean that a trade association can assume in any way the position of an employers' organization, or be a body with which the labor unions

can in any way deal except in some instances by committees. Matters of wage adjustment and hours of labor are for individual or territorial group determination and not for trade association consideration. The association should only establish the broad principles for industrial relations and never as an association take part in labor adjustments.

Association Not to Settle Wage Questions

Where the membership is extended all over the country it is impossible for an association to bring about wage schedules or working arrangements which will be satisfactory to all members. Different localities make different conditions and different scales of wages; some mills, for example, may be closed shops, others may be open shops, others non-union shops entirely. The association that avoids dealing with labor unions avoids also a great many difficulties and the possibilities of discord and disorganization.

What the Association Can Do

The purposes which an association in its relation to employees can officially undertake are chiefly as given in the following: to encourage Americanization among the operatives; improve working conditions in the mills; discourage any kind of labor which is morally wrong and thus hurts the reputation of the industry, such as child labor; and discountenance the attitude of manufacturers in treating labor as a commodity.

There is a definite challenge and a great opportunity for service by the trade associations of the country in fixing industrial relations for the next ten years. Employees must be recognized as human beings; must be allowed to express their creative instinct; and must be encouraged to realize that they are part of the industry and, moreover, that they will be recognized and paid in fair proportion to the service which they render.

The Association's Attitude Toward Employees

The employer would resent it in a minute if he were not permitted to exercise his vision, energy, creative ability, and leadership. Those are the qualities which have made him exactly what he is as the head of his company. But there are likewise in the ranks of his employees many men with the same fine qualities who, in the interests of the industry, have the same right within reasonable limits to express themselves. The old, conservative manufacturer may protest, perhaps, that this is a socialistic doctrine; but his view is wrong—it is absurd. The employee must not be made to feel that he is merely a cog in the machine, but that he is part of a team that is working together for victory; that the success of his employer is his own success; that together, by co-operation and understanding, they will rise and gain the results which both desire. This, then, is the opportunity of the trade association: to cause among manufacturers appreciation of the tendencies of the times and a willingness to comply with their demands.

Bureau of Industrial Relations

The American Iron and Steel Institute has aroused a recognition of this necessary appreciative point of view among its members, as have the associations in other large employing industries. The method followed has often been that of establishing within the industry various industrial relations services which act, not as detective agencies, but rather as means of creating a better understanding between employer and employee. Their object is, on the one hand, to break through the hard shell of the employer, and on the other hand, to educate the employee to recognize both his opportunities and the common problems which he shares with his fellow-workmen and with his employer. The attitude of these services is not non-union; it is essentially "open shop," where every man who works conscientiously is given a square deal.

Bureau of the United Typothetae

The Bureau of Industrial Relations maintained by the United Typothetae of America may serve as an excellent example of these services.

The general purpose of this bureau is to provide within the printing industry centralized investigation, co-ordination, analysis, interpretation, and distribution of information on the problem of industrial relations between employer and employee. Eventually the foundation will be laid for the formulation of broad, constructive policies which will bring greater uniformity in wages and working conditions and eliminate through voluntary conciliation and arbitration those industrial disturbances which seriously handicap the productive effort of industry.

The bureau renders consulting service in labor adjustments as the need or demand therefor may arise. Its policy at all times is non-disputative and its work is conducted under the high ideal of scientific research to obtain all important facts necessary for sound and correct conclusions.

It is making an exhaustive study of the cost of living, strikes, labor supply, wage negotiations, wage scales, hours of labor, profit-sharing, apprenticeship, shop committees, industrial councils, safety and sanitation, contractual relations between employers and employees, and other factors vital to the stable and satisfactory relations of the members of the association.

Local Committees and Their Functions

The bureau encourages the formation of local committees on industrial relations among its members in different cities throughout the United States. The local committees can of themselves exercise the following functions, which, as has been stated before, a national association cannot properly perform:

1. Dealing with local problems.
2. Conducting wage negotiations.
3. Securing data on the cost of living, on the economic factors of industry, and on all other factors that may affect wage negotiations.
4. Acting in case of strikes and controversies.
5. Adjusting employment problems.
6. Surveying and studying apprenticeship problems and keeping informed on working conditions and local labor policies, such as the relationship between closed and open shops.

Some local committees employ a regular experienced secretary or manager to attend to these local labor matters. With his and the committee's activities the association has nothing to do as it must be sedulously careful to keep "hands off," but the association may act as a means of sending information without comment from any one committee to local labor committees within the industry, in order that each committee may be cognizant of what the others are doing. The point should be emphasized that an association must take care not to allow itself to become an anti-labor-union organization. The association can advocate broad principles of labor policy and industrial welfare but the individual problems of local members must be settled by those members themselves in and for their own territory.

The Finished Product

The classification of finished product, its packing, marketing, and shipping are all industrial functions of an association.

In the same way as trade associations insist on a standardization of raw materials in their industry, so also they appreciate the value of properly classifying their own finished product. Many associations claim the honor of having been partly responsible for the passage of pure food laws. These organ-

izations by giving extensive publicity to the abuses of adulteration have undoubtedly influenced public opinion in this respect.

Through special reports and through other direct advice associations are now teaching their members how best to label, fold, arrange, pack, and ship their products. When matters like these are called to the attention of an entire industry by a representative association more efficient factory operation and an appreciable decrease in cost are secured.

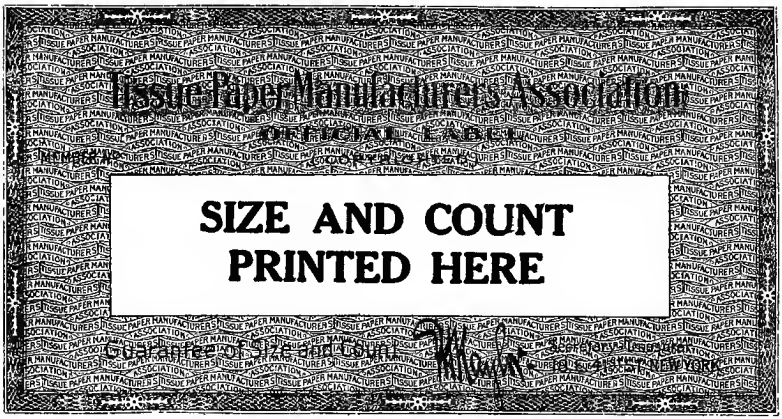
Labels

The work of the organized canning industry in this respect is worthy of notice. Through the medium of the association, canners had gradually come to realize the advantage of properly branding their products. As misleading names and labels reflect upon the canning industry in general, it behooved the association to impress upon its members the necessity for the careful classification of all goods.

Canners were in the habit of using fancy and fictitious names for such canned foods as corn, beans, peas, etc.—as, for example, "Cornette" with a picture of a cornet on the label, a classification that conveyed no definite idea of food value to the purchaser. Through the efforts of the association these foods are now classified, advertised, and labeled for what they are. This practice has increased the sale of canned stuffs; for now the customer knows what he is getting and will not entertain suspicions that a substitute is being foisted upon him.

The tissue-paper manufacturers through their association have adopted a regular association label, illustrated in Form 2, which guarantees the count and size of the paper in the package. Previous to this packages were sometimes a number of sheets short or not of the exact size ordered. Now that all customers have begun to realize the value of the label they insist that it shall always appear as a guaranty on all packages that they purchase. Various grades of paper are marked with

labels of different colors so that they are readily recognized in the stockroom. The name of the member does not appear on the label, but it bears a cipher number known only to the secretary of the association. The label gives also, of course, the name of the association and the name and address of the



Form 2. Association Label. (Size 4⅞ x 2⅝.)

secretary. If the purchaser finds that the package is a number of sheets short or does not come up to full specifications and size, he merely writes to the association and gives the particular member-number on the label. The secretary can then immediately communicate with the member and an adjustment is made.

CHAPTER X

SERVICE ACTIVITIES—INFORMATIVE

What Service Is

Apart from commercial and industrial functions there are various activities carried on by a trade association—services which are placed at the disposal of its members. These service activities may take many forms: the issuing of trade journals for disseminating information, the maintenance of employment bureaus, and educational work in trade-schools or colleges.

The Trade Journal

One of the most obvious means of educating members in the various activities of an association, and in subjects relating to the conduct and welfare of a particular industry, is through a trade journal.

Besides containing accounts of convention or meeting proceedings these periodicals devote much space to the discussion of trade methods, new ideas, efficiency systems, new processes, reports of investigations or of experiments with new kinds of raw materials—in fact to all the important factors that may not be brought up at the ordinary meetings.

A trade paper is really a weekly or monthly trade meeting brought to the home of every member and attended at his convenience. One drawback, of course, is that matters of a personal and intimate nature cannot be discussed in its columns. This defect, however, is obviated by the private, printed letter of the secretary which is sent to the members each month, and the details of which are suggested in Chapter XV.

Relation of the Association to the Trade Journal

The trade journal, although often the official organ of some trade association, is not always published by the organization. In every industry there are generally one or two commendable trade publications which discuss in a general way matters of considerable interest to the industry, but which are not in any way connected with the trade association of the industry or its activities. They are not antagonistic to the association, but they are entirely private ventures. Their principal object, of course, is to secure advertising from a specific group of business men, and the matter which appears in their columns is chosen merely for its general interest to the trade.

But when a trade journal is published by a trade association it is almost always used as an aid primarily in furthering association activities. Such papers do not attempt to cater to the views of opposing interests merely to secure their advertising. One particular association that produces a good trade magazine censors its advertising very strictly for reliability in the same way as do some of the leading newspapers in the country. The question as to whether or not an association should publish its own journal is one open to a great deal of discussion. Those who have not tried it always think that some day they may do so, but those who have tried it are apt to advise against it. This at least may be said: When a trade association undertakes a publication of any considerable size, for instance, a monthly magazine, it may expect innumerable difficulties.

The ideal arrangement in an industry is to have one or two good publications issued independently by private parties, and then for the association to have its own regular bulletin, of whatever size may be convenient, but issued as a matter of intimate information to the members each month and in no way dependent on subscriptions or advertising.

Some associations which have members dealing in a variety

of products have a system of exchange advertising in their bulletins; that is, so much space is set aside for the members any one of whom may insert a limited-sized advertisement of his product which may be of interest to other members of the association.

Bulletins

The bulletins issued by an association, both regular and special, may be made extremely valuable. The regular bulletin, issued monthly perhaps from four to eight pages, often resembles a house organ except that it should contain no personal references. The shorter and less discursive the bulletin the better. It should present notes regarding market conditions and trends, raw material supplies, credits, sales, and similar matters of general interest.

Special Bulletins

Separate publications in the form of circulars, leaflets, pamphlets, and even books may be prepared from time to time and sent to the members or the public to meet some specific need. Some of these may consist of classifications of product, with technical tables, commodity values, cost statistics, export and import facts and supply and demand figures. Others may deal only with some one subject, such as information on dyes, on carding wool, or on some chemical process.

In this way the opinion of the association or of the public is swayed or is educated, and greater breadth of view is effected. An increased demand for the product of an industry has often resulted from publicity of this type.

Trade-Mark Bureau

The importance of the matter of labels and trade-names has led to the development in a number of associations of trade-mark bureaus. The movement is likely to grow. As-

sociations are realizing more clearly the necessity of protecting their trade-marks or trade-names and also that time, money, and annoyance can be saved by avoiding conflicting names.

The Toilet Paper Converters Association have a trade-mark registration bureau which has proved satisfactory to the members. As may easily be appreciated, there are thousands of various names used for toilet-paper and the producers are frequently changing the names or adopting new ones to win the attention of purchasers. The result has been continual conflict because of the similarity in names or in design.

It must be borne in mind that while a trade-mark or design can be registered at the Patent Office in Washington, a trade form or device, as such, cannot be registered. Questions, therefore, are continually arising in regard to the use of various names and devices concerning which no information can be procured from the Patent Office.

To meet this difficulty the producers of toilet-paper have reported to their bureau the names or labels of all the various kinds of toilet-paper which they produce; they state the approximate date when every such name was first used, and whether it has been registered in the United States Patent Office. These names are then listen on cards in some such way as given in Form 3.

At the time of registry the members file with the bureau copies of all the actual labels which they use. These labels are then pasted in large scrapbooks, with page numbers, for ready reference on the card above. When conflicts arise, priority of use as established by these cards determines the use of the label. It might seem that many difficulties and much unpleasantness might arise from such conflicts, but this has not been the case; adjustments are readily made and priority claims conceded. If, however, a man has not used a name or label for a number of years, a sort of statute of limitations operates against him and he is expected to waive his claim.

——— MANUFACTURERS ASSOCIATION

——— ——— ST., NEW YORK

LABEL REGISTRATION

To be filled in by Association only.

1. Name of Brand..... Book.....
Page.....

2. Used by.....When first used.....

3. Is brand registered in U. S. Patent Office?.....
If so, number of registration.....Date of registration.....

4. Is brand copyrighted?.....
If so, when?.....

5. Is exclusive ownership claimed? Yes..... No.....

6. Claim examined and filed.....

7. Remarks .....

Note: Do not fill in 6 or 7.

Form 3. (a) Label Registration Card (face). (Size 5 x 3.)

RULES

1. Members shall notify Secretary of names selected.
2. Brands so approved to be for members' exclusive use.
3. Brand claimed for any line shall apply to all lines.
4. Validity of claim shall be decided by Secretary by priority of record entry.
5. Conflicting brands to be decided by mutual agreement between interested members, or by arbitration.

Pre-emption applies to names, not common trade terms.
Variation in spelling does not constitute proper claim.
Letters or syllables prefixed or suffixed to title already in use, not a valid claim.

Form 3. (b) Label Registration Card (reverse)

——— LABEL REGISTRATION BUREAU

——— St., New York

To All Concerned:

.....of.....
have applied to this bureau for the registration of the brand name.....

Unless within 30 days of this date this name is protested or claimed by evidence to have been previously or presently used it will be registered in favor of this company.

.....(Name of Association)

Per.....(Name of Secretary)

Date:.....

Form 4. (a) Notice of Application for Registration of Brand. (Size 6 x 9.)

——— LABEL REGISTRATION BUREAU

——— St., New York

To All Concerned:

This is to certify that on the date named below, application for registration of a label having been made thirty days previous at this bureau by
.....of.....
the name of said brand being.....;
that since said brand never having before been registered by this bureau, nor, after due notice, protested or claimed by evidence to have been previously or presently used by any other company, therefore, we have registered the above name for the exclusive use of the above company.

..... (Name of Registration Bureau)

Per..... (Name of Secretary)

Date:.....

Form 4. (b) Notice of Registration of Brand. (Size 6 x 9.)

When a member wishes to use a new name he communicates with the bureau to learn whether or not the name is in use. This name of the brand which the applicant wishes to render is filled in on Form 4a.

If within 30 days from the date of notification no protest or claim is made, then Form 4b is mailed to all members and the name is formally added to the registration cards to the credit of the applicant.

No objection having been filed or priority claim made after thirty days, the name is then entered in the trade-mark registration bureau as used by the applicant and it becomes his property by prior right.

International Trade-Mark

In the case of an industry in which goods are shipped abroad, considerable attention should be given to international trade-mark laws. Not long ago a German registered a large number of trade-mark names of United States products in European countries. Under the present international trade-mark laws, once the names had been so registered none of these goods could be shipped into those countries without the permission of the man who had registered them. His scheme, of course, was to have the United States manufacturers buy off his trade-mark claims.

If an industry is exporting trade-mark articles abroad, whether or not it maintains a trade-mark bureau, the association that represents it should employ an able trade-mark lawyer to find out if all the trade-names used by the members are in order and properly protected not only in this country but in the foreign countries to which shipments are made.

The Patent Office Record

A trade-mark bureau should also keep in close touch with the publications of the United States Patent Office so as to be

sure that no names have been registered there of which the bureau has no record. The bureau itself should publish from time to time an up-to-date list of all trade-marks registered by it, and should call especial attention to those newly adopted.

It will readily be appreciated that such a bureau as this will save the members a great deal of money. In the absence of such a bureau, members have had plates made for a certain new design, the printing done, and the goods placed on the market before discovering that the name selected was being used by someone else. The complications and losses resulting therefrom are obvious.

Traffic Bureaus

In connection with shipping, which involves problems of packing and routing shipments, tracing shipments, adjusting losses and damages, and classifying rates, traffic bureaus have been developed in a number of associations.

The services of the traffic department of a national association are, of course, limited by the necessity of avoiding discrimination among members located in different regions. For instance, one could readily appreciate the difficulties of a traffic manager for a national industry which has members west of the Mississippi, in the Middle West, in the South, and in New England, in endeavoring to advocate a schedule and adjustment of freight rates which would be satisfactory to all of the members in their various markets. An association that represents producers of foodstuffs not long ago endeavored to have certain freight rates adjusted, with the result that the producers in the East got much better rates than those in the West. The western members consequently felt that they had not received the benefits desired. The mistake which this association made was in attempting to do the impossible. When the members of an association are located in various parts of the United States it is practically impossible for the

association to bring about a schedule of freight rates which will be satisfactory to them all.

This should not, however, lead one to believe that the traffic manager cannot be active in representing the interests of various territories in the endeavors of these territories to obtain reasonable freight rates. He must not devote too much attention, however, to any one territory or in any way have it appear that he is endeavoring to get something for one territory which would be to the disadvantage of members elsewhere. In matters of general interest to the association he can be a most useful representative before the Interstate Commerce Commission and other freight-rate adjusting boards, and can keep the members thoroughly informed.

He can also act as a general adviser to inquiring members on routines, rates, and such information, or as a particular adviser to the traffic manager of some one member. Moreover, when members do not have their own traffic managers they can refer claims and other freight disputes to the association traffic manager for adjustment. The department should be entrusted only to a man who understands freight business, as no one else can so successfully develop its services to a high degree of usefulness.

Employment Bureaus

Another valuable service which a number of associations render their members is that of keeping a record of available employees. When such a record is kept, a man who applies for a position is asked to fill out a form and to obtain a guaranty of desirability from a former employer. Later on, members of the association can write to the secretary and ask if he has available on his list certain kinds of employees. In reply to such an inquiry the secretary can possibly send back to the manufacturer a list of a half-dozen available men with their complete records and with recommendations for each of them.

Thus a member has all the facts in regard to any possible employee, and if satisfied with the applicant, can write directly to him and make whatever arrangements are desired. In this way the association is not held responsible if an employee proves unsatisfactory but serves merely as a means of putting a manufacturer and a possible employee in touch with each other.

There is one danger, however, in connection with a labor bureau of registration, namely, that of building up a black list. Although within legal limits manufacturers should be protected against undesirable employees, the force of the labor bureau should never be used in a prejudicial way to keep worthy and deserving men from procuring employment.

Credits and Collections

A most useful form of association service relates to collections. A number of associations maintain their own credit bureaus; some of them even operating a rather elaborate system.

One of the simplest ways of reporting credit information is for each member to send the secretary, monthly, a list of certain debtors about whom he feels the other members should have information. The system of reporting such creditors may be based upon an alphabetical index, "A" meaning fair, "B" slow, and "C" questionable. This information may then be imparted to inquiring members.

If an association is to maintain a credit bureau, it will have to be carefully conducted along proper lines. In the lower court in the Eastern States Retail Lumber Dealers Association case, Judge Lacombe, writing the opinion said:

> No doubt every dealer has a right to choose from whom he will buy. He has a right to impart to anyone else any information he may have about the business methods of anyone, even though the natural result of thus telling what he

knows may induce the person whom he tells to cease business relations with the other person.

He then asked:

> May the several retail dealers combine into an association in order the better to acquire and distribute knowledge about the business methods of others, by means of the circulation among themselves of reports such as these?

And he answered these questions by saying:

> It seems to us that they cannot do so without violating the Sherman Act. It is now well settled that the words "restraint in trade" in that Act are to be constructed as including "restraint of competition." Full, free, and untrammeled competition in all branches of interstate commerce is the desideratum to be secured.

An association credit bureau must be operated along these lines, i.e., the members may make to the information department accurate reports of unsatisfactory transactions, giving the name of the party and the circumstances of the case. This information may be preserved on record and disclosed to any other member of the association who may make inquiry concerning the party with whom such unsatisfactory transaction has been had, but the custodian of these records may not and must not broadside the association membership with such information; in other words, the information must not be given out to anyone except those who may ask for it.

A "Black List" Decision

A common form of conveying a collection threat is one which explains that as a member of a trade or a credit association the creditor is required to report all slow and delinquent accounts in order that other members of the association may not suffer loss through credit granted to the same habitual delinquent. Because the debtor realizes that his account has

been neglected without any reasonable excuse, he is usually quick to see the disadvantage of having his name listed among slow-pay customers. This is particularly true since he does not know how wide a circulation such a list may have.

There has been, however, some doubt as to the legality of such a proceeding. An important decision has been rendered in Florida covering this point. As the case was not based on any statute peculiar to Florida but on the common law, it is very likely that, should a case come up, the decision will be followed in other jurisdictions.

Two important points were made in the decision:

1. It is legal for an association of merchants to make an agreement not to extend additional credit to a subscriber who owes any one of those merchants.
2. It is legal to notify a customer that if he does not pay his name will be given to the association as a delinquent debtor.

The title of the case is Putnam v. Inman. It appears that the customer had been repeatedly dunned by his creditor, whose last letter stated "that he was under obligation to report to the association the name of any person who does not pay his or her bills promptly," and that he "would dislike very much to turn your name over to the association as it would probably affect your credit in the town of . . ." The customer refused to pay the bill on the ground that he did not owe it. After failing to collect the bill the merchant listed the customer's name with the association. It was communicated to the other members on inquiry as the name of a delinquent debtor and his credit was cut off. The customer then entered suit for libel claiming that listing him as bad pay was unwarranted assault upon his reputation.

The case was tried before a jury, which rendered a verdict for the debtor. It was then appealed to the Supreme Court

of the state of Florida, which reversed the lower court. The Supreme Court held that "merchants had the right to organize for their own protection and to enter into mutual agreements for the purpose of giving each other the benefit of their knowledge about those in the community who meet their obligations promptly and those who do not; and a communication on the subject, made by a member of the association to the other members, is privileged, if made in good faith and in such a manner and on such an occasion as to properly serve the purpose of the association. It is privileged and not libelous, even if not true, if the merchant acted honestly and in good faith throughout."

It would seem that a warning of such action is necessary although the court does not appear to have touched upon that point.

Reports from Bureau

Naturally a creditor will ascertain from Bradstreet's or Dun's the status of his debtors; but if this does not give the information as desired, such a method as is indicated in Forms 5, 6, and 7, can be used.

If a member has no names to report he should make a definite statement to that effect in order that the secretary may be sure that this member is not overlooking his contribution to the reciprocal service.

All of the doubtful customers of the members are listed on a system of cards. Immediate credit information can be given in most cases by telephone. If particular information is desired, it has to be sent by mail, which takes more time.

Unquestionably the best plan for an association that wishes to establish a credit bureau is to go to the National Association of Credit Men or some similar body and engage a man who is conversant with handling credits, and who can establish a regular credit bureau on the usual lines of credit activity.

INQUIRY BLANK

RETURN TO
CREDIT DEPARTMENT
THE MOTOR AND ACCESSORY MANUFACTURERS ASSOCIATION
Whether You Report Experiences or Not

(Over)

Name

Answer All Questions Carefully and Fully

Address

SALES DURING MARCH, 1920 $_____

TERMS ON ABOVE SALES_____

INDICATE BELOW HOW PAYMENTS WERE MADE DURING MARCH, 1920

Answer by one check mark only; if more than one payment was made, indicate the average.

Discounted	Prompt on Net Terms	5 to 30 days slow	Over 30 days slow	Notes accepted	Notes renewed	Payments C. O. D.	Placed with Atty.

Condition of Indebtedness April 1st, 1920

Not Due { Include amounts not over 5 days past due	$	
Trade Acceptances, Not Due		
Past Due Accounts		
In Dispute		
Notes Outstanding		
C.O.D. "		
Total Owing		

Have you granted extra time or extension on this account during past 30 days? Amount_____ Time_____

Have you had occasion to restrict credit in this period and how? _____

Have you security or guarantee on this account?_____

Whose_____

MEMBER'S NUMBER

(Over)

NOTE—This form should be filled and returned within six days.

Form 5. (a) Association Credit Report—Inquiry Blank (face). (Size 8 x 5⅜.)

REMARKS

In addition to actual figures, other information is exceedingly valuable in determining credit responsibility. Information, favorable or otherwise, regarding the personnel of the concern, its method of doing business, the appearance of its plant as relates to apparent prosperity, efficiency (or the reverse), etc., will be appreciated.

USE THIS SPACE FREELY

Form 5. (b) Association Credit Report—Inquiry Blank (reverse)

Uniform Contracts

While we are considering this subject of credit the question as to the possibility of a uniform contract may be raised. An agreement among competitors to adopt and adhere to a standard form of contract imposes a restriction upon the freedom of action of the members of the association which is an undue

INFORMATION REQUEST
TO
CREDIT DEPARTMENT

Member's No._____

Date _____

Motor and Accessory Manufacturers Association

Please furnish us, for Credit purposes, information regarding { Name _____ City _____ Street No. _____ State _____

Manufacturers of _____ Jobbers? _____ Dealers? _____

Our experience with this firm is as follows: Sold How Long? _____ Terms _____

Highest Credit? $_____ Owing Now $_____ Past Due $ _____ Days _____

Paying Practice: Discounts _____ When Due _____ Days Slow _____ Trade Acceptance _____

Have instructed us to hold orders amounting to $_____ Their Reason? _____

FURTHER INFORMATION

Form 6. Association Credit Report—Request for Information from Members. (Size 8 x 6.)

Use check marks for answers
Use space at right when answering * questions.

[ ] Discounts
[ ] Pays When Due
[ ] Slow.....Days
[ ] Notes Offered
[ ] Notes Accepted
* Notes Endorsed (By Whom & Amt.)
[ ] Notes Renewed
[ ] Notes Protested
[ ] Trade Acceptance
[ ] Placed with Attorney
* Entered Suit (Date and Amount)
[ ] S. D. B/L. } Prompt or Slow in lifting? *
[ ] C. O. D. }
[ ] Account Guaranteed
* By Whom?
* Amount? $.....
[ ] Extension Asked *
[ ] Extension Granted *
[ ] Credit Curtailed (Why?) *
[ ] Credit Suspended (Why?) *
[ ] Shipments Withheld (Why?) *
[ ] Takes Unearned Discount *
[ ] Makes Unjust Claims *
[ ] Returns Goods Unjustly *
* Changes in Officials
* Loans Negotiated
* Fire Loss
* Government Work
* Management (Good, Fair, Poor)
* Condition of Inventory
* Condition of plant
* Banks with

MEMBER'S INFORMATION BLANK

Date_____ Member No._____

SUBMITS TO
CREDIT DEPARTMENT
of
The Motor and Accessory Manufacturers Association
Information on

Firm _____

Address _____

Insert here explanations of answers at left and furnish all other information possible regarding the above name

Use space on other side, if above is not sufficient.

Form 7. Association Credit Report—Member's Information Blank. (Size 8⅜ x 6¼.)

and unreasonable restriction and comes within the condemnation of the law. There can be no objection when an association advocates that its members adopt and incorporate into their contracts trade customs established by the association. The adoption of such trade customs must and of necessity will, to a considerable extent, operate towards a standardization of a form of contract, but the right of all members of the association to contract in such fashion as each may see fit should be unrestricted.

Trade-Schools

One of the very important services which an association can render to the industry at large is education. One of the forms such education takes is the trade-school.

In some associations the superintendents of mills, the technical men, or the employees themselves, are assembled in small groups for the purpose of studying principles and methods of manufacture by means of the trade-school. Lectures are given to these men at frequent intervals by those who are well versed in the particular topics assigned to them. The demonstrations which are given at these group meetings are of practical value. Manufacturing processes and methods of operation are carefully explained with actual materials, tools, and products.

Example of the Carriage Builders Association

This work is found in a highly organized form in the trade-school maintained by the Carriage Builders National Association. The three departments of this school: day, evening, and correspondence, offer to men who wish to learn the trade an excellent opportunity to train themselves, for the association realizes the value of having its members thoroughly conversant with the best methods in the industry. All instruction in the day and evening classes is absolutely free. In

addition, a thorough course in which the students draw up a complete series of small and full-sized plans is given, and visits are made to some of the leading wagon factories where detailed explanations of processes are made.

The schools of the United Typothetae of America described later in this book are another splendid example of this kind of service.

Recognizing the fact that the introduction of new factory processes and the improvement of the product depend upon the training of the men in their industries, the Carriage Builders National Association a few years ago delegated a party to study foreign methods of technical training in the vehicle field. The resulting report contained detailed accounts of the methods used in the vehicle drafting schools of England, Germany, France, and Austria.

College Courses

In several of the universities in this country courses are given under the patronage of trade associations. The paper industry encourages the technical study of paper-making at the University of Maine and elsewhere through its Vocational Education Committee, whereas other associations have arrangements with various technical schools for the training of scientific men for their particular industry. These men do not come into the industry as mill operatives, but more as technical men for the direction of particular research or production work in some company.

Special Educational Agencies

Members often need as much educating as the public, therefore an association may well make arrangements to have the various factors in production and distribution in an industry brought together. This is best effected by joint committee meetings.

The mill superintendents' association or branch of an industry should keep in touch with the technical or the purchasing agents' associations so that common or relevant problems may be fully understood and appreciated; and the salesmen's association should be familiar with the work or difficulties of the above-mentioned organizations. In a word, as it is obviously beneficial for individuals in a company to understand problems which are common to them all or which affect the interests of the company as a whole, in like manner wise associations or branches of an industry may follow the same policy and receive the same results.

CHAPTER XI

SERVICE ACTIVITIES—PROTECTIVE

Scope of Protective Activities

Additional association activities under the head of "service" have to do with protection, insurance, arbitration, and bringing about conditions which mean more and better business.

Protection Against Solicitation

The first of these association activities is the protection of association members against fraudulent solicitations.

An executive will be approached by some solicitor who will state that the competitors of the particular company, on being favored with a call, have contributed largely for some particular purpose. The solicitor will even show a book or a list of names of other companies, names which sometimes may simply be forged. Nine times in ten the proposition is one in which the executive has no interest whatever and to which no one of his competitors has actually contributed. It is, in fact, simply a "hold up" game.

If the company belongs to an association with this service the executive's task is easy. He has merely to request time for consideration of the solicitor's request and then to notify the association, which can investigate for him the purposes and standing of the solicitor or the product that he or she represents. There are bureaus, such as Proudfoot's Commercial Agency, which for a fixed sum will report to an association, upon inquiry, the standing of an organization that may be seeking funds. Thus the members of the association are protected against fraudulent solicitations and save themselves a good many thousands of dollars each year.

Watching Legislation

It is not only desirable but sometimes necessary that a trade association, as representing an industry, shall protect that industry from inimical legislation. This does not mean that the association should become a lobbying political body. Lobbying, when it has been indulged in, has always served to enervate the real business activities of an organization and often has brought dissension and discord among the membership without accomplishing any real good. But as our state and national lawmakers sometimes introduce bills without being fully informed as to their effect on all branches of a particular industry or line of business, such legislation must at all times be watched and by fair and reasonable means corrected through enlightening the legislators.

The Tariff

Another activity under association legislative functions is that of keeping in touch with the tariff. So long as we have a tariff every association that represents producers has the duty of watching tariff legislation to see that the interests of the industry concerned are properly considered. This matter requires careful and statesman-like handling. In the old days, zeal was sometimes carried too far by producers and the selfish interests of various lines were asserted too strongly. Today, especially since the World War, when we have so great need of developing our foreign trade, every association should bear in mind that the tariff situation has changed. On the other hand our producers cannot be expected to place themselves at the mercy of destructive competition, and the association has the responsibility of protecting its members' interests. Many associations today maintain special committees on the tariff who engage experts to assist them in studying tariff problems and in preparing such schedules as will be accepted by those in charge of enacting the laws.

Governmental Commissions

In the same way the association has the responsibility of watching governmental commissions that sometimes issue ultimata without being fully informed as to all the facts in the case. Trade associations accordingly must be attentive at all times, to see that inadvertent rulings are not issued which, though prompted perhaps by the best intentions, are disastrous to important industries. A somewhat parallel case is that of the investigations undertaken perhaps rather hastily by some governmental department which put the manufacturer or merchant to the trouble of answering long questionnaires. If the investigation is unnecessary it should be stopped. If it is necessary, very often the information which is desired can be procured from the file kept in the association office and thus both the time and the energy of the members can be saved.

Associations at the Government's Service

But if some of the functions of a trade association are to watch the government, an association has at the same time the power of rendering to the government patriotic and signal services. When the War Industries Board was formed and found it necessary to get into immediate touch with the various industries in this country the representative trade associations were the bodies to which it turned. If these associations with their fund of information and their well-working organizations had not been in existence, it would doubtless have impeded the progress which the War Industries Board was compelled, as rapidly as possible, to make. Many government officials previous to the war realized the value of trade associations as the best existing medium of direct contact between the government and industry. The war undoubtedly accentuated the appreciation of the trade association in this respect.

Arbitration Boards

Somewhat similar to the protective activities of an association, is its arbitration board, which protects the rights of members and at the same time sees that both parties to a dispute are justly treated. This board or committee may vary greatly in its make-up and in the scope of its operations. It may adjust differences merely between members—although in this case the secretary is generally the arbitrator—or between members and outsiders. Or it may be a central body to which the general policies and regulations of two related associations are finally referred.

Such a board in an association, composed only of members of the association, serves as an industrial court of equity in a specific field and attempts to consider impartially the interests of all concerned. As specialists in matters pertaining to the trade it represents its members are generally better qualified to adjust trade differences than an ordinary civil court. Its decisions, in the absence of specific agreements, are usually guided by a code of ethics or a set of regulations covering the various phases of business transactions and the conditions attending them. Those desiring to settle their differences through the arbitration committee agree beforehand to abide by its decisions.

Then again an arbitration committee from one association may meet a similar committee from another association, the two bodies acting as a committee of the whole to arbitrate a matter between certain members of each organization.

An Example of Arbitration

An interesting case of an arbitration between a manufacturer (an association member) and a merchant (the manufacturer's customer, and himself a member of another association) arose in New York City when a manufacturer of woolen goods had shipped some goods to a merchant in New

York for exporting. The merchant received them in good faith and turned them over to his exporting agent; but upon examination it was found that the goods had been so poorly packed that they could not be exported, and had actually been damaged in domestic transit.

The manufacturer claimed that he had packed the goods according to specifications. The merchant claimed that the goods were not packed according to instructions but could not show that he had given any instructions. The exporter claimed that the goods were useless to him as they were damaged before he received them and could not be sold in a foreign market.

The case had to be settled by arbitration. So the manufacturer selected a man to represent his interests; the merchant and the exporter selected a man to represent their interests; and these two arbitrators selected a third disinterested party, an association secretary. Depositions were taken from all concerned in the transaction and all correspondence relative thereto was examined. The three arbitrators finally decided in favor of the manufacturer, since it was proved by custom that the merchant in placing his order should have given instructions as to packing inasmuch as he was aware of the fact that the manufacturer had not previously done any packing for export.

The manufacturer, however, was required to pay all expenses of the investigation, to take back the goods, and to make a similar shipment properly packed but at the prevailing market price which obtained at the time of settlement. In this way the manufacturer lost no business and received a market price for his product, and the merchant was not left with damaged goods on his hands. Incidentally, the price of these goods had so advanced during the arbitration that the manufacturer was able to sell them at a price which paid all expenses and made him a profit besides.

A Conference Committee

A conference committee composed of both the manufacturers and the distributers of a product may with advantage meet at regular intervals and discuss matters of common interest. The manufacturers as the source of supply should set before the distributers their particular problems and opinions about trade conditions, and the distributers in turn should inform the manufacturers concerning demand and concerning trade conditions in general from the distributers' point of view. When the conference committee adjourns it should then be arranged that each member of the committee shall return to his particular locality and inform all the manufacturers or all the distributers respectively in his locality what general information was brought to light at the meeting.

Weights and Measures

The campaign for uniform laws on weights and measures now being conducted by several associations may be mentioned here. As the laws of several states now stand, considerable confusion exists in the observance of standard weights and measures. A nationally recognized standard would be a great aid to industries in which weights and measures are important features.

The smaller associations are usually concerned with district or city ordinances regarding prescribed methods of measuring and weighing. The officers of these associations confer with the proper city officials in order to prevent any intentional misunderstanding on the part of members. As association representatives can offer suggestions and information that reflect the experience of each member of their industry, they are able to co-operate effectively with the city administration in such details. For example, a dealer on one street corner may decide that in order to lose no possible customers he must keep his shop open as long as his competitor does on the opposite corner,

with the result that both are needlessly extending the business day and depriving themselves of holidays and of health. Most of the associations of retail dealers by invoking the law to correct this common and most undesirable practice are making it possible for the storekeeper to close his shop at a reasonable hour.

The following extract from a monthly letter of the Brooklyn Hardware Dealers Association is indicative of the general sentiment of retailers in this regard:

> Mr. B. reports that the police have closed the hardware stores on Sunday in the Ridgewood section owing to the pressure brought to bear by this Association, and that two men whose stores were closed were so pleased that they made application to join the Association.

Insurance

In connection with the effort to reduce the element of chance in business the question of insurance is attracting the attention of many trade associations. Insurance, although properly speaking not a part of the ordinary business operation of an association, is coming to be recognized as a rather important item. It is a well-known fact that many insurance companies are careless in selling insurance policies. Then the dealer is tempted to overinsure; and when he does there is the possibility of a profitable fire. The last statement may seem an exaggeration, but the records, of at least one leading industry, and of its association, prove it to be the fact. As a result, policyholders often have to pay higher premiums than necessary.

Here again special education on the part of association members is of considerable value. By communicating with the insurance committee of the association when taking out policies or when rearranging insurance, members may secure expert advice regarding proper rates and premiums. This voluntary

insurance committee, moreover, composed of members of the association is in a position to treat more successfully with the insurance companies themselves in an effort to secure more favorable terms for the industry. The insurance companies welcome an approach of this kind and will furnish experts to go through an industry and revaluate policies.

Owing to the fact that inspection of insured property is often omitted by the insurance companies the policyholder is frequently left ignorant of protective precautions. The latest and best preventive measures are studied carefully by the insurance committee of the association so that all members may benefit thereby. In times of unavoidable misfortune, moreover, insurance adjustments are far from satisfactory. The insurance committee, through its wide experience in such matters, is nearly always able to secure for deserving members a fair settlement of their losses.

Insurance by an Association

A few of the larger trade associations have gone so far as to establish insurance companies of their own. The Laundrymens National Association has brought about the formation of two efficient insurance exchanges, one for fire and one for liability insurance.

"Through the operation of these exchanges, which could not exist were it not for the fact that laundrymen have an Association of national importance, hundreds of thousands of dollars have been saved in insurance premiums. And our plants have been given better protection than was possible through the stock companies' plan of insurance." This is the opinion of one of the members.

The National Retail Hardware Association, with the aid of several of its branch associations, has also successfully maintained several mutual fire insurance companies. These companies were organized in much the same way as other insurance

companies, the stock being bought by association members. At present this association is contemplating an educational plan as regards fire prevention, to be worked out by the combined insurance secretaries. This plan includes posters and pamphlets on fire precaution and protection.

Group Insurance

Still another variation of association activity is found in connection with group insurance. Trade associations, by insuring the lives, health, or interests of members collectively, are able to secure reductions of from 25 to 50 per cent in the premiums.

Protection Against Theft

The Silk Association of America and the National Jewelers Board of Trade both have protective departments, the former being known as the "Missing Property Bureau" and the latter as the "Vigilance Committee." Both of these departments watch for robberies and assist any member in recovering stolen property.

The Silk Association has recently organized the Textile Transit Insurance Company to insure safe transportation of silk from one point to another. The new company investigates all claims and guards against fraud and will eventually take over all the functions of the missing property bureau. It also operates trucks, properly guarded, between New York and the outlying districts, thus reducing the probability of silk thefts.

Better Business—The Typothetae Plan

The "Three-Year Plan" of the United Typothetae

The United Typothetae and Franklin Clubs of America, a trade association composed of the printers of the country,

developed and has carried through recently what it called its "Three-Year Plan" for improvement of trade conditions. The plan has been notably successful. As it offers the best example of how a trade association may improve conditions within an industry, the purpose and the organization developed for carrying out the plan are here given in some detail. It was thought out beforehand with the utmost care. When put to the test, it worked. It represents an actual successful accomplishment.

The plan involved the trade education of printers, lithographers, photoengravers, and all workers allied with the printing industry, in order that better methods might be pursued and larger results obtained. The intent, which was accomplished to a very large degree, was to reach every printer in the United States, to get him interested in organization work, and to secure his active participation in everything that would tend to make him a more successful business man and a better credit risk.

As a result, the printers have obtained much additional business. The various interests allied to the printing industry, the concerns manufacturing or dealing in paper, ink, type, machinery, and supplies of every sort, have been stimulated by greatly increased consumption of their goods. Finally, the consumers of printing are receiving better service from the printers; the printing is of higher quality; and the price, because of definite knowledge of costs, is more stable. The single item of standardization of costs, indeed, has brought about a marked improvement in the entire industry and the work has not been confined to three years but has been kept up so as to maintain the good results.

General Outline of the Plan

The United Typothetae determined that they would carry through their plan within a period of three years—hence the

title, "Three-Year Plan." They accomplished their purpose successfully and easily within the time specified.

The general lines on which the plan was built were simple. The organizations concerned included both the Typothetae and the allied interests already mentioned. The activities involved were, first, administrative, and second, executive.

Administrative Activities

The administrative activities of the plan were handled by three bodies.

1. The council—a standing body composed of the president, vice-president, treasurer, and five other members of the Typothetae who represented that association in all matters relating to the plan.
2. The advisory committee—made up of a group of individuals selected from the participating allied industries, who represented these industries in an advisory capacity as regards inaugurating and carrying out the plan.
3. The joint committee—composed of the council and the advisory committee, was the final authority which passed upon and directed all activities of the plan.

Executive Activities

The executive part of the plan was under the direction of the employed officers of the Typothetae, namely, the general secretary and his various assistants. The executive work was divided into four departments, each of which was in charge of a director:

1. Organization and extension
2. Education and cost accounting
3. Research and service
4. Direct-by-mail advertising

1. Organization and Extension Department

The organization and extension department had charge of all extension work, of directing the field-men and local secretaries, and of getting the printers of the United States to work together either through local associations or through direct membership in the national organization. This department took charge, also, of any special activities that were suggested by the joint committee.

Field Work

The field-men who went out from the national headquarters to get printers in local communities interested and to carry on all kinds of organization work for the furtherance of the plan, were selected for their particular fitness for organizing work. Before they were sent into the field, they received special training in the school of instructions maintained at the national headquarters of the Typothetae in Chicago.

In each district new local divisions of printers were organized by the field-men, with a local secretary in charge of each division. This local secretary also received special training at the headquarters school. The field-men and the local secretaries worked in close harmony along definitely prescribed lines. After the larger towns were covered, memberships were procured also in smaller places, and visits were continued to both larger and smaller towns until all parts of each district were fully brought into the plan.

Field Representatives—Their Varied Duties

The field-men and the local secretaries had many other duties, all contributory to the general aim of standardization throughout the industry. They explained to the representatives of the printing crafts in their territory the advantages of the standard price list and sought to interest them in the creative selling campaign. They were careful not only to indicate the

advantages and protection in connection with credits and collections but to urge the representatives of the printing crafts to be more prompt in fulfilling their own credit obligations. They secured contracts for uniform cost installation, took subscriptions for the series of textbooks issued in connection with the plan, and wrote fire insurance for the several companies that specialize in printing-house risks. They sought to interest printers in the work of the trade-schools, and in the special courses in estimating and salesmanship.

In addition, the field-men or other representatives from general headquarters gave lectures on "business building by direct publicity" before commercial bodies, merchants' and manufacturers' associations, advertising clubs, and other organizations, and also before gatherings of salesmen and other employees of financial, mercantile, and manufacturing concerns of every sort. They outlined possible plans for municipal, corporate, and individual advertising campaigns; they gave addresses on creative selling before assemblies of printers and graphic arts representatives regardless of affiliation or association; and through correspondence, they suggested to every printer in every city unique and practical business-getting ideas for keeping direct advertising in the spot-light.

Control of Field Representatives

The national office supplied each field-man and local secretary with a complete treatise on organization that showed the best method of obtaining results—securing attention, creating interest, creating a desire for membership, and successful "closing-up"—as practiced in expert salesmanship. This treatise prevented haphazard individual information being given in different districts and cities, or the use of secretarial methods that were widely at variance, just as a railroad book of rules insures that no one division shall be operated independently of all others. In addition, daily reports of activities

and experiences were sent by the field representatives to the general headquarters, and in response, the national office sent back to each man special advice as to his particular problems.

Finally, semiannual meetings of all the field-men and local secretaries were held at the national headquarters at the expense of the national association, one such occurring regularly at the time of the national convention of the United Typothetae. In this way, the field-men and secretaries were kept in touch with one another and with the members of the association. Thus, with competent men working in every district in the United States, all controlled by the central office in Chicago, every part of the country was brought into actual contact with the comprehensive plan.

2. Educational and Cost Accounting Department

The educational and cost accounting department had under its supervision all educational activities. It gave instruction in composition, presswork, bookbinding, and the work of other related trades, and also in cost finding, estimating, and salesmanship. A staff of seven cost accountants had the special duty of installing the standard cost finding system in printing plants in all sections of the United States.

Regular textbooks were issued and schools established, one of which, in Indianapolis, was conducted along the lines of a correspondence school. The course in cost estimating, as has been observed, brought about a nation-wide uniformity in the method of estimating printing, based upon definite records of cost, and thereby established a higher standard of selling prices and insured a real and constant profit. This course was furnished to all printers with merely a nominal charge for necessary forms and blanks. The only requirement was that each printer who took the course or who had his employees take it had to sign an agreement to complete it, to give careful study to each lesson, to submit his study papers to the school

for analysis and criticism, and to take examinations in the regular way, just as in a correspondence school where the usual fees are charged.

Likewise a course in selling methods was taught, designed to show alike to the proprietor of a printing shop, the desk salesman, the city man, and the traveler the proper methods of disposing of a product at a profit, and of increasing the volume of business. To answer the need of those who could not take this salesmanship course, special treatises were prepared and printed for general circulation.

These standard courses reached thousands of students of printing through a large number of schools throughout the country: the United Typothetae and Franklin Clubs School of Printing at Indianapolis, the printing department of the Carnegie Institute of Technology at Pittsburgh, the School of Business Administration of Harvard University at Cambridge, the state universities, the local Typothetae divisions, and over two hundred private and public schools besides. It can readily be appreciated what a great service these courses rendered not only to the printers but to the allied interests and to the ultimate consumer of printing as well, through raising the standards of printing everywhere.

3. Research and Service Department

The research and service department had charge of the various kinds of service to be rendered to the members and the allied industries. It employed a large corps of persons in collecting information on a wide range of subjects.

4. Direct-by-Mail Advertising Department

The department in charge of direct-by-mail advertising maintained a corps of lecturers who traveled over the country, carrying with them exhibits of printing, to explain to the local printers the various kinds of high-grade printing and the

methods required. The purpose was to create in each locality a greater interest in direct-by-mail advertising and thereby increase the volume of local printing. To supplement the exhibitions and lectures, the department issued literature designed to show the printer how to create direct-by-mail advertising, and pointing out to him the utter fallacy of trying to increase his volume of business by taking business from his competitors. At regular intervals, also, literature was sent through carefully selected mailing lists to the consumers of printing in various lines of business, showing them the need of direct advertising. This mailing list was compiled by the general office from information furnished by the local printers, and the literature sent out was accompanied by a letter urging business houses to place their orders for direct-by-mail advertising, such as catalogues, booklets, etc., with the printers in their particular localities.

Frank Stockdale, of *System,* a well-known authority on direct-by-mail advertising, has stated that previous to the working out of this plan the printers were furnishing scarcely one-eighth of the direct printing needed by the various industries. Some idea of the far-reaching results of a plan of this kind may be gained from the fact that the amount of direct-by-mail printing has already increased from about $175,000,000 yearly to over $350,000,000 as a result of this three-year plan. The nation-wide campaign awakened interest in the printers and consumers of printing throughout the country as to the value and earning power of printed literature when sent direct to prospective purchasers of articles to be marketed.

This plan has paid for itself many times over. It is today keeping the printing plants up to normal production by the addition of new business. It has destroyed the old tendency to seek volume regardless of price and has enabled the printer to become creative rather than destructive in his business methods. It has also had the effect of increasing the

printer's purchasing power, in a great measure eliminating the losses so long endured from questionable credits.

The Financial Basis of the Three-Year Plan

The plan was financed chiefly by the Typothetae; the allied interests paid voluntarily whatever they felt to be proper in view of the benefit to themselves directly and indirectly. In five years—including the two years previous to the three years of active effort—the national organization of the Typothetae spent $348,773.73 or approximately $70,000 a year. Besides this amount the local organizations spent, in 1915, $160,093.11 in supplementing the work of the national organization, making a total cost to the Typothetae of $230,000 for the entire work of the plan. While the manufacturing and jobbing interests in many communities subscribed to local associations, still the burden of the financial support of the plan fell most heavily upon the national organization and its members.

The allied interests contributed $75,000 for the entire three years of the plan. Payments were made in 36 monthly instalments, which brought down the contribution of each company participating to a very small and convenient amount.

CHAPTER XII

BRANCH ASSOCIATIONS

Special Activities

There are certain activities in which associations are concerned that are so extensive as to require special permanent organizations to handle them.

The following activities relating to costs, sales, purchases, exports, vocational and technical matters, being more widely developed or more special in nature and appeal, are usually handled by branch associations which are affiliated with the general association and composed of such representatives of the firm making up the general association as are interested in the special activity.

A Cost Association

The organization of a cost association within an industry would have been considered, only a few years ago, an impossibility. Today it is a familiar fact. As manufacturers gradually began to realize that rule-of-thumb methods of estimating were obsolete and expensive, indeed, often ruinous, they looked more and more into the cost of making their product and began to base their price thereon.

The method of procedure for an association in establishing a uniform cost system is presented in Chapter XIII, so that all that will be given here are a few suggestions as to how a cost association can supervise, establish interest in, and develop such a system.

The cost association, of course, is made up chiefly of the cost men of the various members of the main organization. These men get together at different meetings to discuss funda-

mental principles of costs in relation to the particular industry in which they are interested. Some will say that these men cannot confer without giving up the private facts of their employers' businesses. No one asks them to do this, but on the basis of "give and take" they can discuss different theories and methods of doing things; and any member who has sent his cost man to such a meeting will find out that it has been a good investment of time and money.

The cost association should have as its secretary if possible the man who put the cost system in the industry. He can then act in an advisory capacity to the industry in matters of cost, just as the manager of the advertising bureau or the manager of the traffic bureau acts as adviser in his particular field.

A Statement of Purpose and Procedure

One of the leading cost associations recently organized is that of the paper and pulp industry. Its purpose and procedure are set forth in the following statement.

PURPOSE

The Cost Association of the Paper Industry was organized for the purpose of bringing about co-operation to a high degree among manufacturers of pulp and paper and converters of paper to the end that there might be developed, in every plant, a cost system that will furnish proper methods of control leading towards economies in cost of production; and to assist in making the future of the industry economically secure, through the promotion of the sound business principle of taking into prominent consideration costs, accurately determined, when making selling prices.

MEMBERSHIP

The membership today is composed of paper and pulp mills and converters of paper located in the United States and Canada. Member mills may designate any representative or representatives of their organizations, preferably executives or cost men, to attend the official meetings of the association.

Plan of Action

Co-operative effort is the basis of all Cost Association activity. A definite plan of action has been worked out; first, by working through classified group committees in conjunction with a committee on co-operation, and second, by the formation of local divisions in various paper and pulp centers.

Classified Group Committees

Classified group committees have been selected, or are in the process of selection, for each branch of the industry. The classified group committees handle all matters and all work relating to their respective branches between convention periods and take responsibility for furnishing programs of interest in connection with the national conventions. The chairmen of these committees are usually mill executives—other members being executives, executive accountants, and cost men. The classified group committees after agreement on cost fundamentals will devise simple, uniform, and elastic cost systems for their respective divisions of the industry.

Committee on Co-operation

The committee on co-operation is composed of cost experts, one from each of the important branches of the industry. The cost expert on the committee on co-operation representing each particular branch of the industry automatically becomes a member of the corresponding classified group committee. In this way this experience is always available for work in conjunction with his classified group committee, and through his membership on the committee on co-operation the accumulated experience of the entire committee becomes available for use by his classified group committee.

Individual Service

The officers and executive committee and members of the committee on co-operation are ready to visit any member on request, for the purpose of rendering such advisory cost accounting service and assistance as may be desired. The only expense to members receiving this service will be traveling costs of committeeman.

The classified group committees plus the aid and assistance of the committee on co-operation furnish ideal machinery for doing constructive work for each branch of the industry.

Local Divisions

Local divisions have been formed in principal paper and pulp centers. Eight of these locals have already been organized or are in the process of formation. A local division offers an opportunity for periodical meetings of executives and cost men to discuss ways and means for the betterment of actual cost work in their respective plants, for the exchange of ideas, for the development of the "get-together" spirit, and for the fostering of a feeling of friendliness among competitors.

Superintendents, foremen, and technical men are invited to local division meetings. Joint meetings of Cost Association local divisions and branches of the Technical Association of the Paper Industry and branches of the American Paper and Pulp Mill Superintendents Association are arranged from time to time. These meetings are beneficial in bringing about better understanding and better co-operation between the cost men and the technical men of the industry.

Commercial Education

Co-operative work with universities conducting courses in higher commercial education has been initiated. This phase of Cost Association activity is unlimited in its possibilities.

National Conventions

National conventions of two days' duration are held three or more times a year. These conventions furnish opportunity for discussing general economic and accounting problems affecting the industry as a whole; and also offer opportunity for the discussion of the specific problems of each branch of the industry—this latter discussion is conducted at the special meetings of the various classified groups, usually on the second day of the convention.

New York Office

Permanent offices have been established in New York City in charge of a secretary-treasurer, who is experienced in general accounting, as well as paper-mill cost accounting. Cost forms and cost charts of some of the member mills who have up-to-date cost systems are on file for inspection. Eventually it is hoped that cost statistics of value may be compiled and disseminated for the information and benefit of members.

The New York office is prepared to render definite service to member mills:

1. By arranging for a member of the committee on co-operation to visit any member concern to help in straightening out knotty problems in the cost accounting system there, or to confer with a member concern which is contemplating a new installation. The only expense to the member concern will be the cost of the committeeman's travel.

2. By arranging for a representative or representatives of one member concern to visit the plants of other members who have thoroughly reliable and up-to-date cost systems in actual use. Visits of this character are of great value in that an inspection of cost accounting methods in successful operation undoubtedly aids mills not so fortunately situated to obtain better results. Or, in the case of a new installation, a first-hand knowledge of what has been done by mills that have successfully developed their cost work will help another concern to avoid the troubles encountered in the process.

3. By furnishing up-to-date information and literature pertaining to cost accounting.

Association Bulletin

An official Association bulletin is issued periodically when there is "something to say." The bulletin serves as a medium for the exchange of ideas and as a chronicle of Association activities.

Salesmen's Associations

When the main or large association of an industry meets, the members are generally represented by their executives. In most cases this does not mean their salesmen.

But the salesmen out on the "firing line" are the men who are constantly coming in contact with all the varying conditions of trade and also with the rumors which accompany them. If a salesman is himself sold to the idea of association effort and the fundamentals for which an association stands, he can become one of the best supporters of that association in any particular part of the industry. If he is not embued with the spirit of co-operation but maintains the old attitude of cut-throat competition and an endeavor to get the better of his

competitor, he can do a great deal of harm in tearing down the spirit and work of a trade association.

Getting the Association Point of View

Consider the case of a salesman representing a certain house, who is not in sympathy with co-operative association effort. Being only human he will naturally look out for himself first. If he sees that he is to lose a sale he will be reluctant about suggesting any trade custom or standardized condition to which the customer may object. A majority of purchasers still believe it to be good practice to try to convince a salesman that they can get better conditions from other houses. The salesman who is not appreciative of association effort, and who is not informed as to the real conditions behind his industry, will be apt to make concessions to the purchaser and take a chance of a reprimand from his employer, hoping that the large order which he books will soften the tongue of criticism. Then in order to justify his own conduct he will go back to his employer and enlarge upon the malpractices of competitors. The employer cannot help wondering if the other members of the association are playing fair with him. Sometimes, indeed, he becomes suspicious of them and doubtful of the usefulness of the association.

On the other hand, let a salesman go out who realizes the advantages of co-operative effort and who knows the real facts concerning the present conditions in his industry; when that man meets a customer who tries to put something over and to gain certain concessions to which he is not entitled, the salesman will stand up for his rights. Invariably the statements of the customer will fade away, simply because they are not based on facts. When this salesman hears rumor and talk as regards conditions in the industry, supply and demand, etc., he is in a position to sift the true from the false and to tell the customer what the facts are. In this way foolish rumor is

killed and useful time is saved. The salesman does not return to his employer with a lot of yarns and gossip, and his employer is not led to become suspicious of his competitors or doubtful as to the desirability and work of his trade association.

Salesmen and the Association Meeting

Of course the employer or the executive naturally should keep his salesmen informed concerning the matters that have been discussed at an association meeting. Often, however, he does not have the opportunity; often he forgets. It would be quite proper that salesmen should be present at an association meeting, except that unfortunately salesmen at times are inclined to tell an executive how he ought to run his business and in attending association meetings they have had too much to say as regards things in which they are not particularly concerned. This is not written in the least as criticism of salesmen but is merely a commentary on human nature. Then, too, in the meeting of an association the executives want to discuss matters of private interest to them and which they do not wish the salesmen of other companies to know. If salesmen in attending meetings could always be trusted not to go out and try to ingratiate themselves with some customer by telling that customer what transpired in the meeting, this difficulty would be less likely to present itself.

As a result of the conditions that exist and of the frailty of human nature, the salesmen without their own association are often insufficiently informed as to the desirability of co-operative effort and as to general trade conditions.

A Special Association

Salesmen should have an association which should meet several times a year for the purpose of discussing two things in particular: better sales methods, and facts concerning the industry. The salesmen out on the field are the men who

actually put into practice the principles laid down by the executives through the general association. They constitute also the chief agency for disseminating trade information by word of mouth. They should therefore know whereof they speak.

A salesmen's association should have the usual officers, and if it is large enough, a regular secretary who has had good experience as a salesman. He should be in a position to act as an adviser to the concern he represents as regards their sales policies, and especially helpful in shaping the principles and policies of their salesmen.

As salesmen are always full of good ideas and initiative, the development and features of a salesmen's association can be left to them with the assurance that in a short while it will be made a success.

Purchasing Association or Agency

Some associations have found it desirable to have a purchasing association, agency, or bureau. The activities of this bureau should be carefully supervised as to their legal limitations. It should not be a distinct part of the main association but rather operated independently as a corporation conducted for the interests of any members who wish to participate in its service. It will readily be appreciated that in purchasing supplies for a group of manufacturers considerable care must be taken that no restraint in trade or undue preference is shown, and that there is an equitable distribution of the product among all the members of the corporation. The work should be in the hands of an expert buyer, and the procedure of such a purchasing corporation or association should be along the lines of any kind of a joint purchasing organization.

The Right of an Association to Purchase Supplies

Manufacturers who use a certain material—for example, leather—in the manufacture of their product may find them-

selves confronted with the scarcity of this material and victimized by the dealers. The dealers, taking advantage of the scarcity, extort inordinate prices from the manufacturers, who in turn cut one another's throats in their efforts to obtain supplies. The consequent excessive cost of raw material may cause a terrific increase in the cost of production and an inevitable increase in the price of the product to the consumers.

In order to obtain the necessary supply of leather at reasonable prices, and to avoid gouging by the dealers, the manufacturers might desire to co-operate with each other in the purchase of leather. This end cannot be obtained by any arrangement between the manufacturers by which they will agree not to bid against each other in making purchases, since such an agreement is in effect a deceit upon the sellers who have an undoubted right to a free market. On the other hand, there seems to be little doubt that companies can appoint a common agent to buy for them.

In a recent legal case five local corporations who were all jobbers of Pine Bluff, Arkansas, and two foreign manufacturers organized a corporation in which each took and paid for shares. There was no agreement or understanding that they should cease dealing with a local broker, but there was evidence that local jobbers would not purchase from him unless he would quote prices sufficiently low to neutralize the advantages of purchasing through their own agency. Furthermore, other foreign manufacturers ceased to employ the broker and placed their accounts with the purchasing corporation. The court said:

> The five jobbers undoubtedly conceived a purpose to save the brokerage charges which they had before then been required to pay by negotiating their purchases through their own agency. . . . It cannot be doubted that the five jobbers could have given their brokerage business to any broker on terms to be agreed upon, and it seems equally clear that

> by participating in the organization and ownership of the brokerage company they did no more than this . . . for there was no obligation expressed or implied, requiring them to deal with the brokerage company except and so far only as their best interests from time to time dictated. The worst that can be said is that the parties availed themselves of certain advantages and opportunities which their relation to the brokerage business gave them, and which materially aided them in the race of competition. Free competition is the life of trade and commerce, and it is quite as important to approve all lawful, fair, and reasonable expedients devised to promote individual success as it is to condemn vicious and unlawful practices which violate individual right and the public weal.

It is not believed that the words of Sections 1 and 2 of the Sherman Law or Section 3 of the Clayton Act would prevent a common agency in the absence of an unlawful purpose to monopolize business. The general basis, however, of all the cases supporting common agency is that the parties concerned must show that there is no agreement among them to deal exclusively with some common agent. But to make such a common agency really effective, it would seem to be almost necessary not only that all the parties deal with the agency but that they have an understanding that they would so deal with it. All legal cases on this subject are strongly against any agreement for the pooling of profits by purchasing between competitors who are members of a mutual purchasing association upon the ground that they prevent or restrict competition by control or regulation of the market price of a commodity.

The conclusion from these legal cases is that any manufacturers without agreement for exclusive buying may furnish the funds for the incorporation of a purchasing agency; and that each of the members of an association may place with such agency such advance orders as it sees fit for the purchase of its supplies; and that such purchasing agent may purchase in

the market for all its principals and may charge them a fair average price for the product bought and sold in the open market.

The matter of distribution of supplies purchased should not be controlled by any agreement between the members, but simply by agreement between the member-customer and the purchasing agency. The agency, by this agreement, should be given power to deliver the amount ordered through it or so much thereof as it could obtain for the particular member-customer. Then the purchasing agency dealing as principal would be protected against liability for not making full delivery; the respective manufacturer, though not agreeing to deal exclusively with the purchasing agency, would be retarded from dealing with others by the liability to take the amount of their orders. The result desired might then be accomplished without a violation of either the letter or the spirit of the law.

Syndicate Buying

Many trade associations have enabled their members to secure general supplies at reduced rates through this system of association or syndicate buying. The Laundrymens National Association, for example, is able to supply its members with improved office machines at a liberal discount, while the American Newspaper Publishers Association offers special inducements whereby typewriters may be obtained at a special price. The latter organization further increases the usefulness and value of the plan by providing that a portion of the purchase price may be paid in advertising.

In all these matters of collective purchasing or price information regarding materials or goods, or of correcting improper, unfair, and discriminatory methods of selling goods, an association must act with discretion. It must in no way contravene the law. It must not, for instance, of itself restrain

trade by refusing to buy goods from some particular concern because it does not approve of some minor practice of that concern in selling goods.

What the Association Considers Sound Business

Most associations in insisting upon fair purchasing prices admit readily that for many reasons certain buyers are entitled to discounts. They realize that the man who orders in large quantities, who pays his bills promptly and meets his obligations on time, is entitled to a reasonable concession. But they strenuously object to the unfair discrimination and unwarranted allowances so common in business. They argue that apart from the specially justified discounts above noted an even price to all retailers who compete for the trade of the same customer is the foundation of solid, enduring business.

Many of the great business handicaps result from wide and unfair variations in the terms and conditions of purchase. Quantity discounts, of which only large buyers can avail themselves, enable these buyers to take an unfair advantage of their smaller competitors by buying at materially lower prices. Members of associations feel that since these buyers handle only a small percentage of the total business they should not be entitled to such great preference. In order that the great majority of dealers need not suffer from the price demoralization caused by the few purchasers who are offered such favors, associations usually advocate the allowance of a moderate discount on a quantity not too large to prevent small dealers from taking advantage of it. As has been stated before all matters relating to discounts must be the result of individual action and not of agreement.

The Attitude of One Association Toward Discounts

The following remarks made in a convention address will illustrate the attitude of one association in this connection:

Quantity gets the price just as surely as quality brings the price. From 5 to 10 per cent is legitimate for gross over dozens, thousands over hundreds, but when your competitor is enjoying a selected trade on 25 to 33 1/3 per cent, it is well to take an inventory of conditions and see if by some honest demands the real facts cannot be placed in a true light. A man may be honest in buying and honest in the profits on his capital invested, but he always has before him that old slogan "The other fellow is a better buyer." This arouses in him the old cutthroat, competitive, antagonistic idea and does not make for his own success or for that of the industry.

Preferred discounts, rebates to special classes of customers, the "exchange habit," the free deal, and the premium game are a few of the many current trade abuses that associations are attempting to correct. Most of these problems are treated in the same manner. First, by a campaign of education the various factors of the trade are acquainted with the approved methods of merchandising and unfair practices of discounts, with a view to showing how detrimental and undermining they are to the foundations of good business. The most progressive concerns, quick to appreciate the fairness of the association plea, are not long in abandoning these disapproved tactics.

Members are then urged to advise the association immediately of any trade irregularities or of any unfair treatment on the part of manufacturers and wholesalers. If the case is at all deserving of attention, the association makes its appeal directly to the concern in question and often this concern is made to see the injustice of its methods. But sometimes the concern will maintain a stubborn attitude and refuse to mend its ways. In such cases the association resorts to a campaign of publicity in order to bring the particular abuse to the attention of the trade as a whole without directly referring to this company or in any way establishing a black list or libelous attitude. Years ago, of course, such a campaign really amounted to blacklisting and boycotting, but the really modern trade association cannot legally and does not attempt either to direct or to withhold the patronage of members, but by keeping the trade as a

whole informed as regards existing conditions, the association believes that it places the injuring and injured parties in question in a better position to decide upon future courses.

Export Association

Another type of branch association, paralleling in some respects the purchasing association, is the export association. This also, while organized and intimately associated with the main or national association, should be operated as an independent corporation. It should be under the direction of an export manager with his various assistants and can be developed in much the same way as any regular export house. Several export associations have recently been formed as combinations for foreign trade, legalized by the Webb Act.

The American Paper Exports, Inc., is possibly one of the best examples of such an export association formed by a group of manufacturers. Several years ago the United States Paper Export Association was organized, a corporation with regular stockholders composed of the paper manufacturers interested. Later this was enlarged, more paper manufacturers took stock, and the name was changed to the American Paper Exports, Inc.

Not all members of the general trade association would be expected to buy stock in such a corporation, but those who are interested may do so. The distribution of foreign business is left to the discretion of the manager and his board of directors. One thing to be carefully avoided is the injection of domestic principles and practices into such an export association or organization, since these are seldom applicable to foreign trade. The two fields should be kept distinct.

In shipping for export trade a number of export associations have issued specific instructions to their members as to exactly how their products should be packed for shipment to foreign ports. A large proportion of American goods shipped abroad in former years were rejected because of improper

marking or of packing that was unsuitable or unable to stand the various vicissitudes of handling. In the paper industry the matter was covered by means of a booklet, the text of which is here reproduced. The general principles set forth apply to almost any export packing.

Export Packing

In shipments to overseas countries it is very important to take into consideration the freights, especially in these days of high freight rates.

It is equally important that proper protection be given to the paper in the way of packing, which will prevent damage to the goods by bad handling at loading and unloading points.

In some countries, particularly on the West Coast of South America, where the cargo is usually lightered from the steamer to the pier, sometimes under very rough sea conditions, it happens that packages are broken open and the contents seriously damaged.

For any but the better grades of paper an export bale is preferred to a case as the bale reduces considerably the measurements, therefore reduces the marine freight, yet protects the paper sufficiently, especially if the regulation bale is adopted and carefully made.

In some countries the port charges, usually very high, are assessed on the gross weight of the shipping package, thus favoring European competition where baling is invariably the method of packing adopted.

While hydraulic baling is preferable it is by no means imperative; as a matter of fact, a better bale is often made as a jack bale, as mentioned below, by the ordinary method employed in some mills, than where a hydraulic apparatus is used.

The specifications for the standard export bale are as follows:

Unless otherwise instructed, reams are to be placed flat in bales. At rare intervals, sheets are required so large that it becomes necessary to have each ream folded once. If reams are folded they are to be placed in the bale with folded edges alternating.

If order calls for sheets ream-wrapped, each ream is taken separately and entirely wrapped with strong paper and sealed with sealing-wax or tape; gummed tape is preferred because it leaves no impression in the better papers, such as M. F., S. C., Writings and Boards.

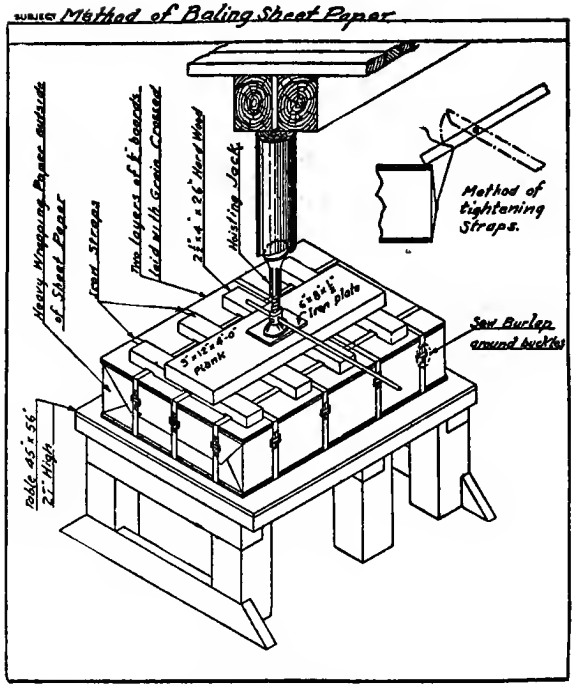
For each bale two wooden heads are provided. These heads are

preferably constructed as follows: Two layers of ⅜″ lumber nailed together, the boards in the upper layer running opposite to the boards of the under layer. All heads are one-quarter inch longer and wider than the size of sheets to be baled. (For example: For sheets cut 24″×40″ the heads should measure 24¼″×40¼″.) The practice obtaining in some mills of putting heavy wooden cleats on single boards at the top and bottom should be substituted by the above method, inasmuch as the steamship companies measure to the extreme dimensions of a bale and charge accordingly—a half-inch addition being counted as a whole, and in a shipment of a considerable quantity making quite a difference in the freights payable.

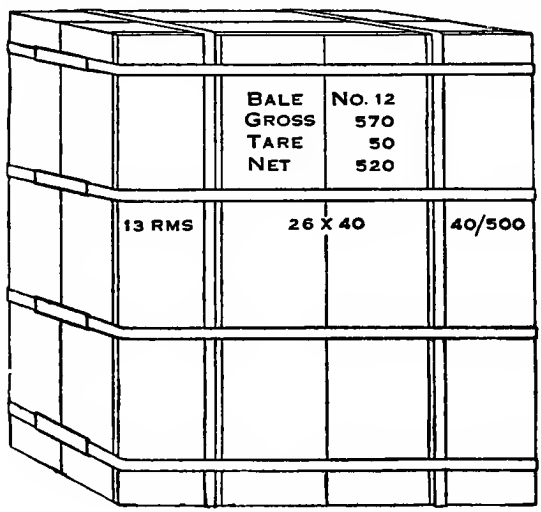
The regulation or standard bale is 500 lbs. gross, though bales are often heavier than this. Occasionally smaller size bales are specified for which differentials should be charged to cover the additional costs.

The process of making the bale as a jack bale is about as follows: Place on a truck about three feet high two pieces of ⅞″ band iron, lengthwise of the sheet. Then a wooden head goes on above the band iron. Next two sheets of heavy screenings or strong sulphite paper are laid down, same being of sufficient length to cover one-half of the bale. A mill doing a great deal of baling has found most efficient, and even stronger than burlap, which is often used instead of paper, what is known as "Bull Hide Wrapper" of a weight of 24×36—230 lbs.

The reams are then piled on neatly and evenly; above the whole a duplicate of the bottom equipment is placed—first sulphite wrappers and finally a wooden head. Then four cross strips of ⅞″ . . . band iron are laid upon the wooden head and the pressure is applied —by jack, where this is used, or by hydraulic press where available. Hydraulic bales are built in the press. When a certain pressure is reached, with the degree of which the finishers will soon become familiar, the jack or press is stopped, the wrappers are neatly folded in and fastened strongly. After this is properly done the cross-strips of band iron (which are of sufficient length to reach around the bale and lap) are drawn tight and buckled with one inch buckles or seals . . . the bands running lengthwise are then tightened and buckled. If buckles are used a piece of burlap or canvas is wound around the bands at the buckles to form a protection for the edges of the paper; afterwards the pressure is relieved and the bale is complete. . . . Bulky paper can be baled with this system without



BALED FOR EXPORT



a baling press of any kind, but care should be taken to buy the instrument for ⅞″ iron bands, as nothing less will carry safely a standard bale of 500 lbs. Some mills have met with failure in trying this system with ⅝″ instruments. . . .

For the more expensive grade of paper it may be best to add burlap to the baling process.

Association of Superintendents or Other Officials

In a large national organization the superintendents of the various members may want to get together and have an association to discuss problems of mutual interest to them, just as the cost men or the salesmen do.

If there is a desire for such an association on the part of men representing any particular class or effort in the industry it should most certainly be encouraged, because if the association idea is good for the executives it is good for any of their employees. An interchange of ideas and a discussion of practices is a good thing no matter whether a man is a president, superintendent, salesman, or cost man, or whatever his position may be with a company. But one word of warning from the experience of several of these associations might be given here.

Caution to Branch Associations

Sometimes these branch associations in their enthusiasm forget that they are branch associations and that the individuals composing them are primarily employees of the companies that make up the main or national organization. The branch associations are merely activities under the direction of the main body. The larger association is always willing to receive suggestions and to consider their fitness for further action or adoption. But it is not wise for the branch associations to try to dictate to the national association, made up of the executives, as to what ought to be done. This sometimes occurs with associations of salesmen or other

officials. In organizing these branch associations, therefore, it should always be borne in mind that while thorough freedom of action is desired and their association is encouraged, yet they are not organized for the purpose of running the industry. This is perhaps particularly true of the salesmen's associations.

Technical Associations

The above rather emphatic statement has an application also to certain associations of technical men, which have been doing, undoubtedly, some very useful work. There is a feeling on the part of some technical men that the executives of the companies by whom they are employed are unappreciative of technical effort and incapable of understanding it.

Not long ago a technical association was formed as a part of a national organization. In a short while the chemists and other technical members of this association began to think themselves—being, in the majority, men with technical degrees —a little better in their knowledge of the technical side of the industry than the executives. That was the truth; but it did not obviate the other fact that they were still employees. It is true that technical men more and more are becoming heads of large industries; but not all technical employees, merely because of their technical knowledge, are qualified to consider themselves as advisers to the executives of their companies.

These particular technical men, when they began to dictate to the general association what should be done and what should not be done in the industry, were soon told by the executives through the parent organization exactly where they stood. Their advice was desired and the fact that they got together to hear technical papers, and to interchange ideas as regards the technical side of the industry, and to assist in standardizing and improving methods of manufacture, was most acceptable; but they were assured that they were by no means the flesh and bone of the industry.

Thereupon these technical men began to operate their association independently of the parent organization and to enlarge their membership so as to take in all kinds of scientific men. In a few years, rather than representing any particular industry, it simply had become a large technical society for the discussion of all varieties of scientific problems.

This example is given to show how sometimes these branch associations, under the wrong direction and with the wrong idea as to their relation to the parent organization, can overstep their bounds and eventually become useless to the industry. A branch association should always be joined by the right kind of arrangement to the parent or main organization, should be made to feel a part of it, should be given direct service by it, and should have as its secretary a man who appreciates the limits of the branch associations with which he is connected and who is willing not only to work for his own particular branch association but for the parent association and the industry as a whole.

If an independent or contrary attitude is assumed by a branch association the executives who make up the parent association, and actually represent the industry, become disgusted with the branch organization, with unfortunate results. No branch association can reach its full usefulness that is not a part of and has not the support of the parent association. If the head or executive of a company which is a member of the parent association is disgusted with the actions of a branch association he will soon make sure that none of his employees have anything to do with it and that no payments are made to it. If many of the executives feel the same way, the branch association necessarily goes out of existence for lack of members and funds.

CHAPTER XIII

A COST SYSTEM FOR AN ASSOCIATION

The Initial Desire

To establish a uniform cost system for an association it is necessary merely for some of the members to want such a system and to be willing to pay to start it. For all members at first to want it would be most exceptional; some have to be educated in order to appreciate its advantages, and these generally are the ones who need it most.

The method of establishing an association cost system to be presented in this chapter, while it is by no means the only way, has at least the merit of having been tried and found to be successful by several associations. Of course, all that can be given here will be a few suggestions as to procedure and then an idea as to how a finished report, suitable for an association, may be prepared.

Committee in Charge

When a sufficient number of members have signified their desire to attempt the establishment of a cost system in an industry, a committee of the members of the association should be appointed to direct the work. It is to be hoped that some if not all of the members of this committee will know something about the principles of costs. Although interpretations of methods may vary, the principles or fundamentals of costs are always the same. Any good book on costs, in which the writer is not endeavoring too much to impose his own opinions, will give an idea of the principles involved. Often in an association a company official is a former cost accountant; if so, and if he is not too imperious, self-sufficient, and obstinate,

he certainly would make a good member of the committee. It seems necessary to make this reservation in regard to former accountants, as unfortunately a number of committees on which cost accountants have served have had trouble because of their unyielding attitude concerning certain interpretations of cost principles.

Simplicity the Key

The committee must make their procedure and result simple. That is the key to the success of any association cost report. An enthusiastic cost accountant, when talking to persons who know nothing of the subject, is in danger of beclouding the simple fundamentals of costs with a multitude of details. The average manufacturer is so confused after listening to an erudite monologue on what costs will do and what is required to determine them, that he thinks of a cost system as something difficult and expensive, both to instal and to operate. In consequence, he does nothing at all about it.

The comments here made are not written in criticism of any cost man or public accountant. These men are doing a wonderful and a vitally necessary work. Inasmuch as they are human, however, they may err on the side of extreme technicality in their presentation of their subject to the average manufacturer.

One objection which manufacturers and merchants generally raise to installing a uniform cost system in their own plants is that it would take too much time and cost too much money. They have been led to believe that the operation of a cost system requires a score of clerks and an endless number of complicated forms. That is, they are simply "scared off."

Results, Not Reports, Desired

One is reminded of the manufacturer who several years ago had one of these so-called efficiency engineers and cost

experts make an investigation of his plants and issue a report as to their condition, with recommendations for improvement by means of a system of costs. When the report was handed to the manufacturer he studied it for several days and then sent for the expert saying, "that is a mighty beautiful piece of typewriting, but where on earth do I stand and what do you suggest doing about it?" The expert, of course, was nonplussed and chagrined, as he considered that he had already stated in his report the condition of the man's business and recommendations for its improvement. So he had, but he had done it in such a way that only a "Philadelphia lawyer" could have dug out his meaning.

Therefore the cost committee for an association must aim to develop at first a simple system which can easily be understood by the members and as easily installed in every business. Such a system should be so clear and elemental as to take only the part-time of one stenographer or one clerk according to the size of the business. It should be made to fit the smallest plant. A cost system can easily be expanded to fit the largest plant, but it is difficult to make a large-plant system fit a small plant without having it seem cumbersome. In the chapter on association departments, the operation of a cost association for a large national trade association composed of divisional organizations was commented upon, while in this chapter only the first steps of a cost system for an industry are discussed.

Expanding System

As stated above, once the cost system is installed and its benefits are seen it can easily be expanded and amplified as desired. The officers of one company which started in with a simple association cost system were not in the least enthusiastic about it at first but thought that they would at least try it out. They began to see the advantages, and in less than six months the system which was operated originally by one clerk had

been expanded to take the time of nine clerks. The saving to this one company alone made the cost of installation and maintenance of its system less than a small fraction of 1 per cent of the sales. The management readily admitted that their sales and profits have appreciably improved since they have known how to estimate their sales prices.

The Man in Charge

When the committee has finished discussing how it will proceed and has determined that simplicity will be the keynote of its efforts it can then hire a cost man who is open to conviction. He can study the industry and do all the detail work for the committee. It is sometimes desirable to have him go from one plant to another where successful cost systems are already in operation, in order that he may select from each system the best way to handle costs as applied to his particular case. If the committee does not desire to retain an individual to do this a cost firm may be employed, but it is far better to have one man do the work, one in whom all have confidence and who will not carry from one mill to another the information he may find.

The Cost Report

The committee should always write or approve the report when it is prepared for the association and should personally recommend its adoption by the individual members of the association. The report will, of course, include the specification and recommendation of simple cost principles, which may be called a system. The committee will have to spend some time in arguing with some of the members who are hesitant about the plan. In preparing the report all technical and elaborated suggestions should, in so far as possible, be eliminated, and the matter should be presented as if the reader were entirely ignorant of cost work.

When the report is presented to the association at its meeting it will help to have large wall charts giving such information as can be graphically expressed.

Expense

To return to the question of expense. At first, very likely, the plan will have to be carried by a few, but in a short while every member will want to participate, not only in the cost system but in the expense of installation. Associations may hesitate about proceeding in this matter in case they receive from some cost firm an exorbitant estimate as to the expense of installation, but in a small organization a system can readily be installed, as above suggested, for about $5,000.

Not Uniform Prices

A uniform cost system for an association does not mean uniform costs or uniform prices. Costs will vary as the location and physical equipment of plants vary. If a manufacturer is wise or fortunate enough to locate his plant where he has a good water-power, thus reducing his expense for maintaining steam-power, he certainly is entitled to that saving in his costs. So it is with all items of cost according to the equipment or location of the plant. Advantages as to coal, labor, freight, nearness to raw material, etc., cause a variation in costs and hence a variation in sales prices.

Some persons feel that the only way to correct a demoralized and unprofitable market is to agree on prices. That is not only illegal but illogical. It is placing the cart before the horse. Prices are the result; costs are the cause. If costs are right, then in a majority of cases the prices are right when they are based not on competition, but on those costs. Destructive competition is due not only to a lack of knowledge of general market conditions, that is, of trade information which an association should disseminate, but also to a lack of knowledge

of individual manufacturing costs. Correct costs mean fair competitive prices.

Costs Basis of Competition

"But," says the man who wants to agree on prices, "if there is this variation in costs and sales prices what is the use of a uniform cost system?" The answer is that fair prices and fair open competition result when all use the same cost system. It is the best kind of competition to compete with the man who knows his costs. In such competition there is nothing which is false; everything is intelligent, sound, and clear. A uniform cost system creates a sane and satisfactory market with just enough variation, caused by the individualities of human nature, to make it interesting. If members of an industry were half as much interested in one another's costs as they are in one another's prices the market would be greatly benefited.

A Simple Form of Cost Record

A good illustration of simple methods of obtaining costs is that used by an association of tablet manufacturers. This method consists of a simple estimate sheet. While it does not by any means constitute a complete cost system it is a step in the right direction. The problem that confronted the association was that of inducing each manufacturer to include in his estimates all necessary items of cost. After an investigation of the industry by a cost accountant it was found that the steps were very simple. The cost form illustrated in Form 8 was recommended by the committee and adopted and is now in use.

When an association has to face all the complications of manufacturing, a much more extensive set of cost records becomes necessary. The general report reprinted below shows how such problems were met by an association in which manufacturing details were most intricate, and how a system of

STANDARD COST SHEET

ESTIMATE NO. DATE 192____

NAME SIZE RULING SHEETS

PAPER SIZE & WEIGHT

COVER

SPECIAL

FOR ESTIMATED BY

PRODUCTIVE LABOR			MATERIALS & SUPPLIES	QUAN.	WGT.	PRICE	AMOUNT	
RULING			PAPER					
PERFORATING			COVER STOCK					
			PRINTING COVERS					
TOTAL - RULING DEPARTMENT			PRINTING PAPER					
			BOARD					
COUNTING			BLOTTERS					
PUTTING UP			BLACK LINES					
TIPPING			STRIP					
FIRST CUTTING			CHEESE CLOTH					
GLUEING			GLUE					
SLICING			WIRE					
STITCHING			THREAD					
STAPLING			LABELS					
FOLDING			WRAPPERS					
PRESSING			GLUE OR SEALING TAPE					
STRIPPING								
SECOND CUTTING								
PUNCHING								
ROUND CORNERING								
INSPECTING			TOTAL - WITHOUT CASE					
WRAPPING			WASTE ____%					
LABELING								
			CASE					
			TOTAL - MATERIALS & SUPPLIES					
			SUMMARY					
TOTAL MAKING DEPARTMENT			TOTAL - MATERIALS & SUPPLIES					
			TOTAL - PRODUCTIVE LABOR					
TOTAL PRODUCTIVE LABOR			TOTAL - MANUFACTURING BURDEN					
			TOTAL - MANUFACTURING COST					
MANUFACTURING BURDEN			FREIGHT (on weight of cased goods) ____lbs.@____					
			TOTAL M'F'G COST plus FREIGHT					
RULING ____% of PROD. LABOR								
MAKING ____% " " "			CASH DISCOUNT ____%					
STOCK HANDLING ____lbs. @____			SELLING EXPENSE ____%					
(Includes Receiving, Storage, Packing & Shipping)			ADMINISTRATIVE EXP. ____%					
			PROFIT ____%					
			____%					
			TOTAL ____%					
			Divide COST PLUS FREIGHT by ____%					
TOTAL MANUFACTURING BURDEN			**SELLING PRICE**					

Form 8. Association Cost Sheet. (Size 8½ x 10¼.)

cost records was devised, relatively simple in form and definite in presentation of fundamentals. The system has proved most satisfactory, and has served as a model for many others.

General Report[1]

Growing Desire for Accurate and Uniform Costs

Conditions surrounding the production of paper are somewhat more complicated than in many other lines of manufacture, and for this reason many mills have in the past failed to realize the possibilities in the use of accurate and uniform costs. *Progressive manufacturers, however, today realize the importance of and the necessity for complete cost records,* and your committee is glad to note a growing desire that present varying methods be carefully considered and such changes as seem necessary be made for the sake of *inestimable advantages to be gained through standardization and uniformity.* As paper is manufactured under widely varying conditions, it is obvious that *no one rigid system will adequately serve all mills; but it is possible to maintain uniformity in principles and general methods, although details must necessarily vary with conditions.*

Results Accomplished in Other Lines of Industry

At this point your committee desires to call to the attention of the Association members, the *beneficial results which have already been obtained in such an organization as the United Typothetae of America.* The Typothetae Bulletin, which is published regularly, contains reports and information regarding the progress of their work which are a revelation to any who have not realized the great value to be obtained in handling costs and statistics for a whole industry on a uniform basis; and all members should obtain and read carefully the general text matter in the Typothetae pamphlet entitled "Standard Cost Finding System." The remarkable results obtained by the Typothetae Association through their uniform cost system, and the many other beneficial influences emanating from their work, should serve as an inspiration to other associations.

[1] Realizing the importance of uniform terminology in cost accounting, this report was accompanied with explicit definitions of the terms used therein. These definitions are reproduced on pages 201-204.

Possibilities

It should be remembered that the benefits to be derived from a properly developed cost system are not by any means confined to the ability to determine accurately the cost of the product. The additional information obtained in the process of the compilation of cost is of value in properly solving many problems, not only in manufacturing and selling but in the entire conduct of the business. It has been proved repeatedly that the expense incurred in compiling cost data has been the wisest kind of investment, and such will be the experience of everyone who compiles his cost figures with the serious intention of getting the largest possible returns. The value of these returns is limited only by the degree to which the cost figures are wisely carried out into detail, and then are used by the management.

Job Method

Where manufacturing necessitates many changes because of short runs, it is advisable to use the job method of compiling costs. This method calls for the gathering of the cost data on individual lots or runs of varying quantity, each entirely independent of any other. Only in this manner can the cost of any particular or special lot be accurately ascertained. The summarizing of the individual lot records according to grades or other desired classifications is an ideal method for obtaining comparative information which is of inestimable value in the efficient handling of the business.

Departmentalization

In order to gather the cost data with the greatest degree of simplicity and yet present it in the clearest manner possible it is advisable to divide the plant into five or more distinctive departments, any desired number being developed through subdivisions of the main departments. Three of these departments cover the manufacturing operations, the other two being necessary for the operation and maintenance of the plant and equipment. The three main divisions of the manufacturing operations are the material preparation, conversion, and finishing departments. The others are the service department, which includes the expenses for power, steam, lighting, etc., and the maintenance department. The service department charges, after being assembled, are redistributed to the other departments according to the services rendered. It is considered

inadvisable for most mills to confine themselves to the broadly classified departmentalization, but a more detailed classification does not seem necessary to present in a clear manner the fundamental principles and methods.

Control of Cost Records

To be thoroughly dependable, all cost records should be controlled so that their accuracy may continually be checked. This can best be done through a set of double-entry ledger accounts which may be as extensive as desired. The importance of this feature of a cost system cannot be exaggerated, and such a control should cover burden charges as well as labor and inventory records.

Method of Control

Materials should be recorded in double-entry ledger accounts, in as much detail as required, by charging such accounts with materials purchased or prepared and by crediting them with materials used as they are charged to the product at the point where they are consumed. These material accounts may be carried in the general ledger but it is preferable to handle them in a separate ledger controlled through one or more general ledger accounts. Like material accounts, labor accounts may also be carried in as much detail as desired, but should be kept in control with actual expenditures. This can easily be done by crediting the charges against all labor cost accounts to a controlling account which may be called Wages Accrued accounts, the debit to which will be the amount of pay-roll checks as entered in the cash book. The balance remaining in the Wages Accrued account will represent labor expended for which payment has not been made.

All charges for burden items should be debited to burden ledger accounts, the credits to which will be the distribution of the burden to other burden accounts or its allocation against the various units of production.

Material

Material as an element of cost is sufficiently familiar to pass without detailed explanation. In this chapter the word "material" will be considered to apply to such material as can be allocated directly against some definite unit of production. Indirect material

which cannot be so applied will be considered as supplies and handled as a burden charge.

Recording of Material

Material when purchased and received should be placed on record and any disposition made therefrom should be recorded and charged directly to the particular unit of production in which it is used, thus establishing a continuous record of material on hand which should agree very closely with physical inventories when taken. Such a check should be made often enough to assure correct inventory balances, and any differences discovered should be adjusted through an inventory adjustment account. Estimates of material used should be avoided as far as possible, as it is a comparatively easy matter to obtain accurate records of the consumption of most materials.

Application of Material

The material necessary in the manufacture of the finished product may be of two kinds—purchased raw material, and prepared material. Obviously there must be a value attached to the prepared material which must include not only the cost of the raw material used but also the expenses incurred during its preparation. The proper value of prepared material can be ascertained only through compiling its cost by the same method as used in figuring the cost of the finished product.

For recording the quantity of raw materials used in manufacturing prepared material for direct consumption during the conversion of the product, two methods are in general use. By one of these methods the raw material is weighed, counted, or measured at the time of its use and a record made of the quantity. By the other method the weight of the material used is recorded from tags attached to each unit of the material at the time of receipt.

Whether the tag system is used, or material is weighed or counted, it is a comparatively simple matter to devise forms for recording and assembling the material used in a particular run so that the material cost may be ascertained. Credit should be taken without fail for all out-throws of value before making the material charge.

In the manufacture of prepared materials the raw material cost should be assembled and to it should be added the labor and burden

charges incurred during the process of preparation. Forms should be devised to gather the correct value of the prepared material ready to use at the beater. It is often much more difficult to determine the dry weight of the prepared material as it is used, on account of the large losses during its preparation.

The obsolete method of charging material according to a percentage estimated by the mill superintendent should always be avoided. While, over a long period of time, such a method may be found to give a close check with materials actually used according to the book record, it will also be found that the material charged to each individual run is very inaccurate.

Labor

Like material, there are two classes of labor: direct labor, which can be charged against some definite unit of production, and indirect labor, which cannot be so applied and is therefore handled as a burden charge.

Recording of Labor

Correct records of direct labor expended are easily obtainable through proper time reports, the forms for which any accountant can quickly devise. The objection is sometimes raised that employees have no time to make records of performance, and that time taken to make accurate records will reduce the quantity of production. It is often inadvisable to require records from each individual employee unless such records are needed to give accurate information; but it has been invariably proved, when proper thought is given to the preparation of the forms to be used, that no reduction in individual efficiency need be feared but rather some increase may be looked for, since it seems to be true that an employee who is required to make a report of accomplishment is sure to see that he has a reasonable amount of accomplishment to report.

It is sometimes found advisable to request the foreman of a department to report the time of a group of employees who are working on the same unit of production and at the same rate of pay. For example, in some material preparation processes the foreman can make the recording of labor extremely simple by entering on a form the nature of the work, the number of men working, and the time they worked. The exact labor charge in such a case becomes a simple calculation.

Application of Labor

Charges against units of production for labor directly expended during the manufacturing processes should be applied at the actual rates shown by the pay-roll. Averaging different rates of pay in a department during any given length of time on the plea of simplicity should be consistently avoided; for to determine such average rates either delays application of the labor to the cost or else it necessitates more clerical endeavor than would the making of direct charges at correct rates from actual individual time records.

In some departments it may be advisable to apply the labor charge as a departmental labor rate. Such a labor rate can be combined with the departmental burden rate, thus very much simplifying the detail work. The value of this method is evident in the case of a machine department where a crew of a certain number of men is constantly required; a combined rate for the crew can be used with accuracy although individual rates within the crew may differ widely.

Burden

In relation to mill conditions the element of burden is best handled in two main divisions, mill burden and administrative burden. Mill burden consists of items directly applicable to mill operations, while administrative burden consists of items not directly connected with the mill operations, or in other words not directly under the control of the mill superintendent. Burden charges cannot be applied to production units in as direct a manner as material and labor. These charges, while just as important a part of the cost, are more general in character. They should be carefully analyzed and some method should be devised for their application so that each unit of production may be charged with its proper share of the total.

Hourly Rate

Of the several methods for applying burden charges, the hourly rate basis, where feasible, provides the more equitable distribution.

Fixed Charges

Among the most important burden items are those commonly called "fixed charges." As considered in this report fixed charges are made up of the following:

Interest on investment
Taxes on property
Insurance
Depreciation
Repairs

Interest on Investment

The question of including interest on capital invested as an element of cost has been the subject of wide discussion, and marked differences of opinion still exist. The inclusion of such an interest charge is useful for comparative and statistical purposes, and this outweighs all arguments for its omission. Interest should therefore be included in a standard cost practice as it will prove beneficial.

Taxes and Insurance

Taxes and insurance are somewhat alike in their relation to cost, and their inclusion as a part of burden is a generally accepted procedure.

Depreciation

It is universally admitted that depreciation exists in any manufacturing plant, and therefore its inclusion in cost should be considered just as necessary as labor or material charges. The dangerous practice of charging off depreciation during periods of prosperity and omitting such a charge when profits are not so large is never a sound business policy, and is now so obsolete that it should not be considered. The most correct method for determination of the annual depreciation charge is to deduct the estimated scrap value of the assets from the appraisal valuation and then to divide the remainder by the estimated number of years of productive usefulness.

Repairs

Aside from the depreciation charges there is a continuous expense for maintenance of plant and equipment termed "repairs," which is essential for the efficient operation of the plant and which in many industries assumes such large proportions that it is an extremely important item among the burden charges.

Indirect Labor and Supplies

The expenditures for indirect labor and supplies are of such a nature that they cannot be definitely applied to particular units of production. They are therefore included as a part of the burden charges but should be kept as small in amount as possible. All items possible of application as direct labor or material should be so handled.

Development of Departmental Burden Rates

Where no figures are available upon which the fixed charges can be based, it is advisable to obtain as accurate as possible an appraisal of the normal replacement valuation of all physical assets, including plant, equipment, and inventories. Such a valuation should then be divided over at least the five general departments—material preparation, conversion, finishing, service, and maintenance—many subdivisions of each department often being necessary or advisable in order to obtain accurate unit costs and statistical information. The number of departments decided upon does not in any manner, however, affect the method of assembling the expense charges, as a large number of departments merely necessitates a further division of the five main departments.

In determining the departmental burden, a charge should be developed covering what may be termed "building expense," which should include fixed charges on building and fixtures, and such other items of expense as would ordinarily be included in a rent charge; also such expense as is necessary for watchmen, cleaning, etc. The determination of such a building expense charge can be accomplished very easily through the following procedure:

Upon the appraised valuation of the land should be applied a percentage covering the interest charge for one year. This amount should also include a proper proportion of the taxes applicable to the land for one year. To the sum of these land charges should be added the same interest percentage upon appraised normal replacement valuation of the buildings and fixtures, the proper share of the insurance and taxes applicable to the buildings and fixtures, and also a fair annual allowance for depreciation and repairs upon the buildings and fixtures. To the total of these fixed charges should be added the annual expenditure for items which are general in their nature but necessary to render the building useful, such as watchman, cleaning, janitor service, etc.

This annual total for building expense should then be distributed over the five or more departments in one of two ways, either according to the square feet of floor space or according to cubic feet of effective space occupied.

The building expense charge having been so obtained and distributed to each department, the other departmental burden items will be determined in each department as follows:

Fixed charges on equipment will be ascertained in the same manner as outlined for building and fixtures. The best estimate for indirect labor and supplies that can be obtained from previous records will then be added, and also the closest possible estimate for service charges. These service charges should be carefully figured after building up the burden charges for the service department or departments and adding thereto the labor employed, thus determining the cost of power, heat, light, etc. Any special charges peculiar to a particular department should then be added and the total annual departmental burden obtained.

In order to establish a departmental burden rate the estimated total annual charge for burden in each department should be divided by the normal annual burden units.

Analysis of Burden Cost

The importance of providing an adequate analysis of burden cost cannot be overestimated and the accounting procedure should include such an analysis as a part of the regular routine. To accomplish this, each departmental burden account can easily be arranged to show the expenditure for each class of charges in direct comparison with estimates and previous results; in this way the necessity for analysis after the close of the books may be eliminated.

In addition to providing a complete analysis of departmental burden cost this arrangement of the burden account through the routine of balancing entries brings forcibly to the attention of the cost accountant any unusual differences between the estimates and the actual charges. To determine the cause for any such unusual differences an investigation should immediately be initiated.

If a change in operating conditions has occurred, or if expenses have increased, such facts are immediately presented for attention without waiting for personal checking of an expense analysis by the management. Faulty conditions are instantly revealed and can more quickly be remedied, while warranted increases in manufac-

turing expenses can promptly be carried into the cost of the product by increasing the departmental burden rate. Thus invaluable information becomes quickly available for the promotion of greater operating efficiency, and the burden accounts periodically record the progress in each department. If desired, the operations of each department can easily be charted with the estimates for the base line, the actual entries showing the variance above or below.

This method of recording the burden charges should be given very careful consideration as burden constitutes one of the most important cost items.

All differences developing in the burden accounts between the estimates and current entries should be carried to the Loss and Gain account as shown later in the Under- and Over-Earned Burden and Burden Variance accounts.

Application of Administrative Burden

Certain administrative burden charges are necessary in the operation of a manufacturing enterprise and should therefore be charged in such a manner as to become a part of the manufactured product inventory. They may be combined with all departmental burden rates, but are more easily handled in one charge as outlined in the following paragraphs.

The development of a rate covering the administrative burden items is a very simple matter. The building expense chargeable to the office and the fixed charges on the office equipment are ascertained in the same manner as explained in the development of the departmental burden rates, to which is added the annual estimate for items which come under this heading, such as salaries, office supplies, postage, etc. No charges directly connected with the mill operations or under the control of the mill superintendent should be included here.

There is a diversity of opinion regarding the proper point where the administrative burden should be applied to the cost of the product. It is the opinion of some that this charge like selling expense should be made after the mill cost has been compiled, in which case the administrative burden would not be included in an inventory of the product. The inclusion of the administrative burden in the inventory is proper, and this charge should be made on the machine-hour basis at the same point in the process of manufacture where the conversion burden is applied. For example, where all product passes through

one principal conversion process, this process offers a direct and simple opportunity for application of the administrative burden in one rate; in this way a distribution over all departments and much extra effort in establishing and changing rates are avoided.

Normal Cost

It is apparent that the expenditures for many of the burden items vary greatly from period to period. This is due to a variety of causes; and if selling prices are to be based upon cost figures, it is manifestly impossible to vary the selling prices as these expenditures vary. For example, no grade of a product should show a higher cost for burden during the winter months, although on account of weather conditions it necessarily costs more to heat the plant. This extra expense during the winter should be spread over the entire year. Furthermore, during dull periods or when for some reason the plant is not operated to normal capacity, the expenditures for burden items remain practically normal while the quantity of the product is materially reduced; but it is manifestly unfair to increase the unit cost of the product produced during such periods. This loss from slack production is a charge to Profit and Loss and not a part of the cost of the product actually made. The adoption of the normal cost method for establishing burden rates is therefore recommended.

Selling Expense

Selling expenses are incurred only in disposing of the manufactured product and should therefore never be included in the inventory. Advertising may be included as a part of selling expense, or may be handled separately for the reason that in some cases expenditures for advertising are properly treated as deferred charges over more than one period. These expenses may be included in the determination of selling prices on the basis of perfect product sold or its value. The machine hour may also be used as the unit of application with excellent results for checking and comparison.

Gain

The astounding percentage of business failures clearly shows the necessity for establishing selling prices which not only cover the complete cost of doing business, but also include sufficient gain to

enable the business to perpetuate itself. Manufacturing enterprises can be permanently successful only when the element of gain is given careful consideration before selling prices are established.

Many unwisely consider that it is necessary to take into account only an amount sufficient to cover the current dividend payments. This may furnish a reasonable return to the stockholders when manufacturing conditions and sales are at their best, but it is courting disaster to assume that maximum production and sales will continue indefinitely.

It is necessary, therefore, when making quotations to include an amount of gain sufficient to insure returns which will be large enough to assist in payment of dividends during periods of business depression.

In addition to the payment of dividends the estimated necessary gain should include an amount sufficient to provide for a consistent development of the business. This is a fundamental economic principle upon which the permanent success of any industry must be based. This principle has been too long overlooked by some manufacturers to the detriment of some entire industries. Progressive manufacturers today, however, realize its importance and others must do the same if they are to survive the great economic readjustment of the present chaotic world conditions and attain future success.

The adoption by all members of an association of a uniform method for calculating a legitimate gain as outlined above, which should be added to the cost when determining a selling price, is of only slightly less importance than the adoption of uniform cost methods. A mill being a manufacturing plant, the gain included in the selling price should be based upon the manufacturing operations. Where the principal manufacturing operation is a conversion process, the machine productive hour offers an ideal uniform basis for establishing a rate per hour for gain.

It must be remembered that the actual trading loss and gain and the "legitimate gain" mentioned above are two distinct subjects. Competition and market conditions may result in a larger or smaller profit on an order than the hour rate of gain would indicate, but this rate gives a sound basis upon which to make quotations.

Establishment of Selling Price

For the establishment of a selling price based upon cost, there should be added to the total of mill cost, selling expense, and gain, a

sufficient allowance for freight and cartage and any special or cash discounts.

PERIODICAL CLOSING OF BOOKS

The books should be closed, accounts verified, and financial statements prepared at regular intervals during the year. The most intelligent results can be obtained from comparison of statistics only when these intervals are of equal length. Some mills consider the division of the year into thirteen periods of four weeks each, as the most satisfactory.

Application of Principles Above Outlined

The report then gives in detail various tables showing actual operations of the above principles. It would be useless to go into such details here; that would be required only in a book on cost accounting or the report of an accountant or committee for a particular industry. The application of the principles above outlined will vary and be amplified as industries vary, although the general method of procedure for associations installing systems is the same. While principles and procedure do not change, their applications and operations, whether applied to a particular association or to a single company, are bound to vary.

Definitions of Cost Terms

ACCURATE COST. Cost properly kept in accord with actual expenditure.

ADMINISTRATIVE BURDEN. Burden not directly connected with the mill operations and not under the control of the mill superintendent.

BUILDING EXPENSE. Rent, or burden items incurred in its stead, and such other expense as is necessary to make the buildings serviceable for continuous use.

BURDEN. Manufacturing expenses which are of such a general nature that they cannot be applied to a single unit of production, and which are often given the more common title of "overhead charges."

BURDEN VARIANCE. Difference between estimated and actual expenditures for burden items.

CONTROL. A method of checking the correctness of material quantities and the application of values to cost through the medium of double-entry ledger accounts.

CONVERSION COST. Cost of converting the raw and prepared material into rough product.

DEPARTMENT. An operating division of the plant sufficiently distinctive from any other to make desirable the separate application of its operating expenses.

DEPARTMENTAL BURDEN RATE. A rate developed for use in applying departmental burden charges.

DEPARTMENTAL BURDEN UNIT. A standard of time or material for use in determining a departmental burden rate.

DELIVERED COST. Total cost of the product delivered at the door of the customer, including the selling expense, freight, and the cartage.

DIRECT LABOR. Labor which can be applied to a single unit of production.

FIXED CHARGES. Burden items which are fixed or constant for more than one operating period, as follows:

Interest on investment
Taxes on property
Insurance
Depreciation
Repairs

GAIN. A return on the capital invested, in addition to the interest on the investment which should always be added to the cost when determining a selling price.

GROSS SELLING VALUE. The total value invoiced to the customer.

INDIRECT LABOR. Labor of a general nature which cannot be applied to a single unit of production.

LOT. A final unit of production which will retain its identity, designated by a lot number.

MACHINE HOUR. An hour of normal machine operating time.

MAN HOUR. A productive working hour of an individual employee.

MATERIAL. Any material consumed, either raw or prepared, which may be accurately allocated against a unit of production.

MATERIAL COST. Cost of raw and prepared materials as applied to the product in process.

MATERIAL PREPARATION COST. Cost of changing raw material into prepared material for use in the product.

MILL BURDEN. Burden directly connected with the mill operations.

MILL COST. Cost of the product as placed in the car or on the mill platform ready for shipment, and not including selling expense.

NET SELLING VALUE. Value remaining after deducting from gross selling value any freight, cartage, and discount allowed.

NORMAL COST. Cost based upon normal operating time and average current expenditure for burden items.

OVEREARNED BURDEN. Difference between estimated burden and the operating credit to a burden account, which difference represents the number of departmental burden units in excess of the estimate.

PERIOD. One of several equal units of time into which a year is divided (for example, 12 months or 13 four-week periods) at the end of which time the profit and loss is determined.

PREPARED MATERIAL. Material which has passed through some process of preparation for its use in the product.

PREPARED MATERIAL COST. Cost of the raw material used in the manufacture of prepared material plus the material preparation cost.

PRODUCTIVE HOUR. An hour of effective operating time.

ROUGH COST. Material cost plus conversion cost, or cost of the converted product before the finishing cost is applied.

SERVICE CHARGES. Charges to other departments distributing the operating expenses of a service department.

SERVICE DEPARTMENT. A department not directly concerned in the actual manufacturing processes but necessary to keep the manufacturing departments in operation.

SUPPLIES. Such miscellaneous materials as cannot be applied to a single unit of production.

UNDEREARNED BURDEN. Difference between estimated burden and the operating credit to a burden account, which difference represents the number of departmental burden units below the estimate.

UNIFORM COST. Cost derived in accordance with such general principles and by such methods that comparison of results may be intelligently made.

UNIT COST. Cost of a single unit of production through any one or more processes of its manufacture.

UNIT OF PRODUCTION. A quantity of product in some manner distinctive from the rest of the product, making possible the determination of its separate cost. (The unit quantity may vary at different stages of manufacture; for example, a run of 20,000 pounds of material furnished may be divided into many units during conversion.)

CHAPTER XIV

THE SECRETARY—QUALIFICATIONS

The Secretary, and Association Success

The success of a trade association depends largely upon selecting the right man for secretary. The secretary need not be a "superman," but he must have a distinct talent for the sort of work which he must do. He must be able to work efficiently himself and to make it easy for other men to work well together.

The observations and suggestions given in this chapter have grown out of long and varied contact with many secretaries, and also out of their own statements in regard to the qualifications required in their work and the difficulties they must overcome. The specific items and incidents referred to, it may be added, are authentic; but in every case names, places, and circumstances have been altered.

Personality

A secretary should be distinctly a man's man, possessing such an appearance and with such manners and courtesy as will seem natural, unaffected, and genuine. He must be able to meet men, both individually and collectively, and discuss with them their problems. He must be able when necessary to speak in a convincing manner to an audience of men. He must possess above all that subtle quality which is almost impossible of cultivation, of instilling confidence in the minds of other men so that they will feel that he is one to whom they can trust their private affairs without a question as to his integrity or his sincerity. All this requires both personality and ability.

Personality is important, but it has its limitations. There

was a secretary of a small trade association with offices in Chicago who was without doubt one of the most charming men that anyone would care to meet; but his personality unfortunately was based upon such an exalted opinion of himself that he was unwilling to get down to earth and work. The members of the association after a while got tired of a man whose chief value was as an amusement artist, and although everybody liked him and there was nothing specific that could be said against him, yet he did not make a success of his position.

Another instance is that of the secretary of a certain state association. Everybody liked him and he did fairly good work, but he too failed to make a desirable executive for his organization. This man had plenty of industry but lacked the ability to divide essentials from non-essentials. He spent so much time in visiting and emphasized so much the social side of his work that several large considerations passed without his notice; and the members in less personal and more sober moments concluded that they had better get a secretary who was a business man and not a social lion.

These instances illustrate the important point that a man may have personality and be on very intimate terms with his members and yet not be a satisfactory secretary. To personality must be added ability and desire to work.

Secretarial Ability

The sort of ability required in a successful secretary is nothing unusual and yet it seems hard to define. There is many a successful business man who would have made an excellent secretary; but there are some secretaries who would never make business men, and their impotent associations are the best proof of the fact. The reason that not all secretaries nowadays have the qualities required is that as soon as one demonstrates his value he is attracted—generally by the offer

of a large salary—into business. It is a misfortune for a large trade association to lose its secretary, and an association, if satisfied with its secretary, should do everything possible to retain him.

The Relations Between Members and Secretaries

Some years ago the secretary of a prominent association was so busy running the association's business affairs that for a year or two he had no time to devote to the social side of his work. He was pleasant enough to the members, but he simply did not have an opportunity to get around and call on them and to be on as intimate terms as some of them would have liked. Therefore some of the more superficial felt that they were being neglected; they did not realize the real work which this man was doing and consequently so irritated him with their petty criticisms that he resigned. Since then that association has had seven secretaries in seven years and is still endeavoring to get the right kind of man. When the right secretary is finally placed in that position he will be a man who will make it clear to the members that there can be no repetition of their former childish attitude.

It is amusing to note that the association under discussion has tried a number of times to get its original secretary back. The members missed their chance once, and now they apparently have difficulty in getting a man who will be satisfactory. It is well for an association to be just as careful as the secretary himself to make sure that the relations between the secretary and members are always pleasant.

The Professional Secretary

It is most unfortunate for a man to be referred to as a "professional secretary," because business men then look upon him more or less askance. It is far better for him to be known as a business man serving as secretary; thereby he immediately

gets out of the professional class, and men think of him as one of their own kind.

It is for this reason that some secretaries are called "general managers" or "managing directors." In fact the word "secretary" is rather avoided since it seems to suggest a person who merely keeps minutes and writes letters. The title does not make the man, but it sometimes enables some people who are not familiar with his particular work, to have a higher regard for him. It is a general rule that as one thinks of the secretary, so one thinks of the association.

The title, however, is a mere matter of choice. If, as sometimes is the case, the actual secretary is called a manager, then someone else is given the title of secretary, as in a corporation, and has merely to go through the form of keeping the records.

On the other hand when we consider the subject more closely we must admit that since the business of being secretary now calls for special training it is becoming more and more of a profession. This is a good tendency. Successful secretaries are being recognized as authorities in their particular field and as a result are being compensated sufficiently to make the positions more attractive. In recent years changes among the leading trade secretaries of the country have been comparatively few.

Sources for Secretaries

Often secretaries or members of associations are asked where a new secretary may be procured. Such a question is hard to answer. No association wants to take a young man who has just come from college; although he may possess personality and latent ability, he has not had the business experience. On the other hand, not many associations feel financially able to bid away an experienced secretary from another association. A man who has served as an assistant

under an able secretary elsewhere is desirable and frequently receives chances of advancement.

A good place to get a secretary is among business men, provided a man can be found who knows, or is willing to learn quickly what an association can and cannot do. Most business men can doubtless find among their own acquaintances men who have such qualities and are so situated that they would be available for such a position.

A college education should not be an obstacle to the selection of a man for a secretary's position, except that some college men are apt to be a little too theoretical. Sometimes they have not had enough business experience to have unlearned some of the textbook information which still guides their decisions. By this it is not meant that a college education is not desirable on the part of the secretary; merely that the college man must also be a practical man and not try to impose his academic information upon practical business opinions.

The Business World the Best Source of Secretaries

And so it might be suggested that the best place to find men is in the business rather than in the academic world. It is undeniable that various schools of business throughout the country furnish excellent educational backgrounds for a secretary as well as for a business man; but it is impossible for any college or university, or school of business, to turn out a man for business life as a finished product in his particular line. The case is like that of a lawyer or a doctor. When you employ a lawyer or a doctor for an important matter, you generally want one who has had at least ten years' practicing experience. The same is true of a trade association secretary.

If possible, it is desirable for a trade association to select a man from within its own industry. But there is a danger in this—that the association may select a man against whom

someone, for certain reasons, may have a prejudice. The man may not be known, but the mere fact that he was formerly employed by a competitor may suggest in the minds of some that the competitor will receive favors from the hands of the secretary. One may feel that this is a rather narrow point of view and it doubtless is; but it must not be overlooked in the selection of the man. If there is no one within the industry available then a secretary can be selected outside, preferably a man who is a stranger to everyone. Thus everyone starts even and there are no presumptive favorites.

An Instance of Supposed Favoritism

A man was selected five years ago as secretary of a large trade association primarily through the influence of his uncle, who was president of the organization. This man was an excellent secretary in every way but the uncle did not have business principles which were altogether acceptable to all the members. The result was that although the secretary had nothing to do with the individual actions of his uncle, he nevertheless reflected them and was consequently unfairly suspected of certain matters with which he had no connection. He finally had to resign, not through any fault of his own but because the original selection of this secretary for that place was fundamentally wrong. It is human nature for people to think that those who are related in a family will be prejudiced for or against one another in business matters, and therefore relatives or intimate friends of members should as a general thing be eliminated from consideration as association secretaries.

Relation of Secretary to Members

The secretary must be absolutely impartial in his relations with all members of the association. Of course, as time goes on there naturally will be some towards whom he may feel a

little more friendly than towards others, but as far as business is concerned this feeling should never be made evident by action or deed. Not that there is any personal harm in such pleasant relationships, but some member who unfortunately may not possess a nature which makes him a good fellow, or who may be a little oversensitive will think that the others are receiving too many favors. Each member should be made to feel that the secretary is just as friendly to him as to anyone else. A secretary makes a fatal mistake if he allows his personal preferences and friendships to interfere with an impartial performance of his duties.

At the time of a meeting, or on other occasions when the members are all together, a secretary should make it a point to be especially cordial and friendly towards the "offish" members. Those who are his friends do not need any demonstration of his feelings towards them, whereas the others do. But he should by no means, at any time, assume a patronizing air towards any member.

Not Too Reserved

The secretary of one important national association is in nearly every respect highly efficient, but he has failed to gain the confidence of his members as he should have done merely because he is too reserved. They think that he takes himself too seriously. He has been rather severely criticized for several years as not sufficiently cordial or pleasant at time of meetings, or in fact at any other time when he does not feel like it. This secretary may be constitutionally unable to be other than he is, and if so, he is most unfortunate. Of course, at the time of meetings a secretary naturally is preoccupied, but that should never interfere with his being cordial when shaking hands with anyone. It is generally the secretary of small caliber who is not able to rise above such occasions and maintain his equanimity.

Not Too Gushing

And yet a secretary must not appear to be a palaverer or "glad-hand artist," as that sort of thing soon sickens the average business man. The secretary should not be so reserved as to repel the warm feelings of others, but neither should he seem to be too much of a "hail-fellow-well-met."

Once in a while a secretary is found who goes too far in his geniality so that some of the association members, to quote the words of one of them, "dread to go to a meeting and have him literally fall on their necks." Geniality carried to the point of gush inevitably stirs the suspicion that it is merely a cloak for hypocrisy.

The Dangers of Talkativeness

Just as a secretary must avoid being too friendly to certain members, he must never under any condition whatsoever discuss one member with another, or one member's plant with another. Even if the discussion is favorable it should be avoided. For example, if the secretary tells one member some pleasant confidential things about another member the first member, if he is at all wise, may say to himself, "Well, I guess I'll not tell this secretary anything; he may go and tell it to somebody else just as he is telling this to me." Thus the secretary loses the confidence and sometimes the friendship of a man who otherwise would be a strong and loyal member.

Considerateness

There are many ways in which a secretary can do pleasant little personal things for each member which go a long way towards making affairs run smoothly. If at Christmas-time each member receives a personal card of good wishes from the secretary it is always appreciated; and if the secretary has the pleasure of meeting any one of a member's family it is always a good thing for him to inquire about wife or son or

daughter when he meets that member, because it immediately places the secretary and the member in a pleasant relation. In some associations where there is a large membership the secretary keeps a personal card for each member bearing notations regarding the member's family, and when the opportunity offers itself he sends a word of congratulation or good cheer to the member. Especially at the time of sorrow a man appreciates a word of condolence from the secretary, just as he appreciates it from any other of his friends.

One could go on enumerating ways in which the secretary can help make himself well liked by the members of his association, without going too far, but if the secretary is the right kind of man and his heart is in the right place the occasion will suggest its own opportunity. The best way to win favor is to do one's work well; that the members appreciate above all else.

Relation of the Secretary to the Industry

The secretary ought to be posted on all general facts in regard to his industry so that he can be looked upon as a reliable source of information. At the same time he must be careful that he does not pose as an authority, because it is most natural for some member who has been in the industry all his life to ask why this man who has been in the industry for a short while should know it all and should attempt to tell him and the others facts about things with which they are familiar. A member's natural pride is offended by a secretary who poses as a "know-it-all" on subjects relative to the industry. Here discretion must be used.

An Authority, Not a Dictator

There was once a secretary who in the particular industry which he served was an authority. But unfortunately for him he knew it. Nobody was blessed with as much knowledge as he. Nothing could ever be suggested upon which he was not

in possession of the last word—in his own estimation. Criticism rolled off of him without any effect; he was so supremely satisfied with himself and his extensive knowledge that he really looked with pity on those who ventured to question his word. He served as secretary for about three years and then his members suddenly decided that it was really unfair to him for them to have a monopoly on his knowledge. They suggested that he might rather impart it to the world than simply be a mentor for their organization. Two years ago he was elected to Congress.

Members want a secretary to be a leader but they properly resent what seems to them officiousness and dictation. The wise secretary is the one who knows his business but keeps that fact at all times in the background. He need not advertise how much he knows nor apologize for how little he knows; the members of the association will soon find it out without his having to say anything.

The Secretary as a Trade Adviser

The average member of an association usually is not in a position to study general business conditions throughout the country. He is especially concerned with the immediate problems of his own business and cannot give the necessary time to the study of economic trends. It is important therefore that the secretary should be the student for the members, collectively, and should keep them informed in as brief and as direct a manner as possible of the tendencies of the market, giving them all such general information as they can use in conducting their own businesses. He becomes as it were the watchman on the tower, who sees in the distance the indications of danger or the reassuring signs of continued peace and prosperity.

To fill this capacity properly the secretary must not only be a man mentally capable of sifting wheat from chaff but he

must do a great deal of reading and studying. Only in that way can he give the members the right kind of condensed and nourishing food for thought. And he must always be sure of his facts.

The Secretary Should be a Thinker

The secretary personally will fare a great deal better if he says little and thinks much. While the members do not become enthusiastic over a man who is too taciturn, they do resent one who expresses an opinion on every occasion. It is an old rule that a man ought to be careful about expressing his opinions and be absolutely certain of his ground before he has anything to say.

Modesty a Secretarial Asset

Modesty is a becoming grace in a secretary; it will never of itself be a cause of his loss of appreciation.

One of the most successful secretaries of trade organizations in this country was such a modest man that one really had to meet him two or three times to appreciate his worth. The first time that one saw him he gave the impression of being a man of ability, not from what he said or the way he acted, but just from the way he looked; and as one came to know him better one would begin to realize the depth of his qualities.

His case, after all, is the case of all really great and able men. He did not have to tell people what a wonder he was; he let time and results speak for his ability, as they certainly did. When he resigned his position to go into business every one of his members sincerely regretted to have him make the change. Each one admired the man personally and appreciated what he had done, and realized that his service had been accomplished in the most quiet, modest, yet effective way possible without the assistance of any brass band.

Unnecessary Activities

A secretary is valuable to an association just as much for what he does not do as for what he does. He can easily waste the time and money of an organization with unnecessary activities. He should be able to discriminate between essentials and non-essentials, so that he will not occupy his own time, or that of any committee, in work which in the end will not amount to anything.

There is at present a well-meaning secretary of a trade association who is a perfect pest. Why his members retain him is more than other secretaries can understand. While his ability is apparently good, he has an extraordinary capacity for pursuing non-essentials. Instead of building up his organization on fundamentals and accomplishing things of importance for his members, he is spending his time over petty details. It has often been remarked that the results of his association show exactly his attitude of mind. It is necessary for a secretary to think in a large way and to do the things that really count—not an endless number of unnecessary things merely for the sake of the appearance of being active, like a fluttering hen.

The officers and the committee of an association have not the time to keep in touch with all details. They must rely on the secretary's judgment as to what should be done; he should propose new activities or judge whether or not things proposed by others are adaptable to practical application. Woe betide the secretary who does not use good judgment in seeing that the association gives its time to things that are really important, and that inconsequential things are set side.

New Ideas

If at any time a secretary has a new idea that he wishes to present to the members, he should always talk it over first with the president so as to be sure that his proposition is

practical, and then with the executive committee or whatever committee may have charge of the particular activity concerned. If the suggestion receives the indorsement of the president or the committee, it will always be accepted much more readily by the membership than if presented by the secretary alone.

Another point to bear in mind is that the average man will always work twice as hard for some idea which he thinks he originated or had a part in originating than he will for one originated by someone else.

For these reasons the secretary should endeavor, if possible, to work out his own proposals through other persons. In this way he stays in the background, yet accomplishes what is desired. Although others may seem to get the credit, it will all eventually redound to the benefit first, of the association, and then of the secretary, if for his own modest satisfaction he wants any credit.

Accepting Suggestions

One member of a certain association always had some kind of suggestion to offer. It would have taken not only the secretary's time but that of three or four assistants as well to follow everything he proposed. The secretary patiently noted all these proposals, but he did not allow himself to be overwhelmed. In the course of five years that member suggested three of the most valuable activities which the association ever undertook. By attention and wise selection the secretary found three valuable kernels among the chaff.

A secretary must never let himself be stampeded. Many a time a member will come forward in a heated and excited manner with some radical suggestion which he thinks ought to be taken up right away. In a great many cases the thing never should be touched. The secretary must give earnest attention to what the member has to say and make it clear to him that

the matter will be given full consideration. He should move, however, only with precision and caution, consulting the president or the necessary committees, and then not proceeding unless he considers the matter of real importance.

The Secretary and the Critic

Fortunate is that association which possesses among its membership a constructive critic! The destructive crank is much to be condemned; but the man who is always finding fault until things are done in the right way is greatly to be desired. Those members who always acquiesce and say how lovely and pleasant everything is really do little good in advancing and perfecting the work of an association. When the constructive critic lets it be known what ought to be done, he may be disagreeable personally but results and improvements are bound to come. The process is not always pleasant, but such is life. The best things in this world generally are created by hammering, and at the cost of stress and strain. If, therefore, there are one or two members of an association who are disposed to be constructive critics of this sort, they should be encouraged by all means; they are distinct assets to the membership.

The Critic an Incentive to Better Work

A secretary once related to the author his experience with a critic of this type. This man always took the opposite side whenever any argument came up. He was most critical of everything which the association and the secretary did. He became so critical at last, indeed, that he broke the patience of the secretary, who asked him to state publicly at a meeting what his objections were. It came out all right eventually; the members found in course of time that the criticisms were not borne out by facts.

The point that the secretary wished to bring out in relating

this matter was that the criticism and harassment which he received from this member were the cause of his doing better work, because he was determined that he never would give his critic an opportunity to find anything in the activities of the association of which complaint could justly be made. The critical member, irritating as he was at the time, served as a blessing, because in reality he helped to produce a higher quality of efficiency on the part of both the association and the secretary.

It is a tremendously good thing for any secretary or any man to know that there is some keen person always checking up his work and ready to criticize him and the association for things which are not done right. If he is any kind of a secretary at all he will never let this critic get the best of him or the association, and the result will be that perfect work will be done. Nine times out of ten the critic will prove in the end to be one of the strongest supporters of the association. In many an association men who might at first thought be set down as cantankerous and even hostile are actually its most loyal members and will fight for its principles.

Aside from what has been said, a man of critical temper is nearly always a valuable member of a committee because he stirs up argument and develops points which will in the end make for judgments that are sounder and more solidly based. Some men are chronic seconders of motions without ever giving the motion any thought in itself; but the man who will not vote until he is convinced that he is right is the man who is most valuable on a committee.

Some critics of course are just constant cranks, and then an unfortunate relationship is created, not only between the secretary and such a member but between that member and all the other members. But in time such an obstructionist and irreconcilable is eliminated, either by the "freezing out" process or through an act of Providence—although doubtless before

that there is many a member or secretary who would like to assist nature in her work of extermination.

The Secretary in Difficult Situations

A secretary will sometimes find himself in difficult situations where there are several factions at loggerheads over some proposition; where he must act as a diplomatic mediator in bringing about proper feelings; where he must first get results, and then ameliorate any temporary harm which has been done.

Just as a secretary must not have favorites among members, so he must never take the side of any group in an argument, but rather let the members settle the thing themselves. Such discretionary suggestions and steering as he may offer must be given obviously in the interest of harmony. In all this the secretary must use good judgment. It is no easy matter to weigh issues carefully and impartially and to do the right thing in a crisis.

One of the most important duties of a secretary—constituting, one might say about three-quarters of his value—is that of keeping the members all feeling right towards one another. When one member makes a statement about another member the secretary must be careful not to agree with him, but to make a mental note of that statement, to find out if the facts are as stated, and then if they are not, to go back and correct the speaker's misapprehension.

Family Rows

There is many a secretary who could relate his experience in straightening out some "family row." One instance occurred in a national association which represented a food industry. A producer in the West had a salesman who came east and who thought that he discovered certain conditions about the members in the East which were inimical to the interests of the western members. He let this matter grow in

his mind, and when he went to Chicago he told his employer a story which was more fiction than fact. The employer believed him and told it as a fact to other producers further west, with the result that the first thing the secretary knew he had a divisional contest on between his members in the East and his members in the West. By making some careful inquiries he found out where this information originated and went to the member in Chicago and had a frank talk with him. He discovered that the source of this member's information was the salesman. Further investigation showed that the entire controversy had arisen through a misstatement of facts plus a vivid imagination on the part of the salesman.

If the secretary had not undertaken actively to correct that situation a serious condition would have arisen in the industry, doubtless resulting in all kinds of malpractice, a retaliatory price war, and other things which would have been detrimental not only to the members but to all who bought the product. It would have set going a campaign of destructive competition.

Keeping Up Association Spirit

Rumor, gossip, and misinformation generally play a large part in stirring up ill feeling among members which may lead to disastrous results. It must be the secretary's duty to kill the trouble at the start, to forestall the destructive tendencies by quietly and effectively instilling the disposition for harmony in the mind of each member. The secretary should be a constant harbinger of truth.

Any secretary of several years' experience will bear witness that practically all the allegations which are brought up by one member against another are absolutely groundless when you get down to the real facts. Allegations are generally the result of a story being told about the actions of some member which finally gets back to the competitor affected in such a way as to seem almost a heinous crime. Then it is that the secre-

tary must step in. If necessary he must bring the two members together and see that their differences are cleared. A frank talk will clear almost every situation. Such a policy steadily pursued will develop a splendid spirit among the members, produce a loyal membership and a solidly effective association.

The Character of the Secretary

Before we leave this consideration of the qualities of the secretary and the relation between the secretary and the members, there is one statement that must be made—although it might seem unnecessary—and that is that the last place on earth for a crank, or an egotist, or a bigot, or a religious or social fanatic, is in the position of secretary of a trade association. Many a good secretary has been spoiled by his being "twisted" on one or two subjects.

One of the best trade association secretaries in this country, by becoming obsessed with the impractical principles of socialism, made himself an impossible executive for the organization which he represented. This was most unfortunate, because otherwise the man was valuable; but his ideas of social democracy and the brotherhood of man were a little too strong for the organization which he served. He therefore has since resigned and gone into newspaper work.

A secretary must be a man of positive, clear-cut thought and conviction, but must not be one who is flying off at tangents, or given over in the least to erratic views.

R. S. Kellogg, secretary of the News Print Service Bureau, formerly for five years secretary of the Northern Hemlock and Hardwood Manufacturers Association, followed by three years as secretary of the National Lumber Manufacturers Association, therefore a man of thorough experience, in an address before the Chicago Forum of trade association executives presented most ably the relations between a secretary and his officers and members as follows:

The history of trade associations throughout the country shows that these organizations have been successful and attained their purposes just to the extent that they have followed a consistent course of employing a competent executive officer and giving him a free hand in the carrying out of the general policies favored by the members, without petty supervision and restriction as to details. Aside from the executive officer who is called, "secretary," "manager," or some other appropriate title, and who should never have any personal interest in the line of business represented, the other officers and directors of a trade association are active business men with many demands upon their time.

The secretary, or manager, is the man to whom the rank and file of the membership look for the carrying out of association policies without favoritism and with no personal stake in the undertaking save the desire to do his duty honestly and fearlessly. Absolute neutrality of management is a first requisite. If an individual, representing some particular section of the industry, attempts to dictate as to the details of administration, distrust inevitably arises and the usefulness of the organization is imperiled. No individual member of the organization, actively engaged in business on his own account, can attempt to manage the organization during a temporary occupancy of office with satisfaction either to himself or to the membership. Despite the best of intentions, suspicion and jealousy will arise, followed either by the dissolution of the organization or the nullification of its efforts. It is not necessary to list the well-known cases in which the domination of a trade organization by a single individual or interest within it has had exactly this result. Nothing else can be expected if every change in the titular head of the organization, which occurs frequently, really means a new executive and a new method of doing business. This is the point where the supposed analogy between a corporation and a trade organization falls down. The secretary, or manager, should be the permanent executive officer who keeps the machine running and who maintains the continuity of effort essential to the accomplishment of the purposes of the organization as expressed by the membership and its board of directors.

CHAPTER XV

THE SECRETARY—PROCEDURE

The Valuable Secretary

The successful and valuable secretary is the man who is able so to systematize his work that he is free to place at the disposal of his members his best thought and service. The man who can do this is the man who knows intimately not only his own work, but the work of every employee under him. It is not meant by this that a secretary should concern himself with clerical work. Neither, however, should he consider his position so exalted that he is above detail; quite the reverse, he must familiarize himself by actual contact and make special effort to keep in constant touch with every detail of the association.

Before the secretary can tell one of his subordinates to do something he must be able to do it himself, and consequently, if he is to be able to devote his best efforts to things of moment, he must build for his office organization a practical system which he can direct.

How these practical systems for office organizations can be built, or suggestions as to how they may be built, is one of the most important things to be considered.

Office Enthusiasm

One of the first essentials if the secretary is to have an efficient, smooth-working organization, is enthusiasm among his assistants. Every one of them should take a lively interest in his or her task, for the sake of the task itself and because it is worth doing; not merely because it means a steady job. Employees should feel that they are integral parts of the

association and that its interest and welfare are their interest and welfare.

To insure such a condition the secretary will find it necessary to employ clerks and stenographers above the average in intelligence and ability, because the work to be done requires a great deal of care and genuine constructive thinking. Most trade associations, especially in their statistical work, employ college graduates because the work requires special training.

Office Suggestion—The Office Manager

If the association is large enough it should have besides the secretary an office manager or assistant secretary, preferably the former, who should be in charge of affairs during the secretary's absence and can thus relieve him of unnecessary detail. As a rule, assistant secretaries should be avoided, at least so far as the title is concerned, because the members resent receiving attention from anyone but the secretary himself. This may seem strange, but it is a fact. The office itself can then be subdivided into the statistical, research, credit, and stenographic branches, with someone at the head of each, provided, of course, the association is large enough to warrant an arrangement of this kind. The office should be conducted like any successful business office, according to the amount of work which is to be done.

Handling Correspondence

The next thing to consider is the adequate handling of correspondence. A great deal of the correspondence which comes to the secretary is of a personal nature and therefore should be answered personally. All letters to members should begin: "My dear Mr. . . . . ," and never "Dear Sir." They should end with a personal felicitation, such as "Kindest regards," or with a reference to some enjoyable occurrence that has recently taken place, or with something pleasing about the

member or his family. They should conclude with a "Very sincerely yours." It may seem that this manner of letter-writing is not businesslike, but remember that the association is built up largely on personal relationships and that you cannot write the same sort of impersonal letter to a member that you would write when ordering a barrel of pickles.

All letters to members should be made as brief as possible, and when possible should be confined each to a single topic. If it is necessary to write to a member about several matters, each topic should be treated in a separate letter as this aids in filing. It is desirable to state briefly at the head of the sheet the subject of the letter. The letter-writing habit is not a good habit, and yet wise is the secretary who has everything briefly confirmed in writing and is careful to keep his carbon copy.

The motto of every trade secretary and of every prudent business man—in reference to correspondence, should be: "Do right and don't write."

Personal Letters

Some letters, of course, will have to be mimeographed, because few associations can afford to keep a large corps of stenographers continually employed for the purpose of writing original letters; but in so far as possible every letter to a member should be original and personal. It is not always possible for the secretary to sign personally every letter; he may be away from the office or the association membership may be too large. His time is too valuable to be spent in purely mechanical work. He should make sure, however, that no letter goes out without proper signature. A "dictated-but-not-read" letter should never be sent; it is little short of an insult to the recipient. If a secretary on occasion cannot sign his mail then someone in the office should sign all his letters with the secretary's name.

In mailing correspondence to members the envelopes should never be sealed in the office until the last thing, so that if there are two or more letters or reports to the same member they may all go in the same envelope and thus save postage as well as annoyance in opening them.

Neatness in correspondence cannot be too strongly emphasized, for the letter itself reflects not only the personality of the secretary but the personality of the association. When a member receives a well-written and tasteful letter, unconsciously he associates those characteristics with the association and it is by just such continual subconscious suggestion that he is made a stronger member and a greater asset to the association.

Research Work

Any association that expects to do valuable work must have a department of research, either for establishing standards, or for making corrections and investigations necessary to the welfare of the industry. The handling of research work is discussed in detail in Chapter XVII. Here it is necessary merely to note that the quality of work of this kind depends largely on the character of the persons who do it. One of the most important duties of a secretary is to see that this work is placed in the hands of persons who are fully competent, and that they carry it through with thoroughness and promptitude.

A Systematic Program

Everyone who is familiar with modern business practice knows of the "tickler" system. The secretary will find it helpful to have a large diary, with a week on two opposite pages. In the beginning of the year, if he has regular meetings, he ought to go through this book and make a note of each meeting under the appropriate date. Then he should turn back in the diary and indicate the time for his reminder, and for the original notice of each meeting. He should also go

through this diary and in so far as possible put down when certain things are to be done throughout the year, anticipating them by two weeks or a month, as may be necessary, by making a notation in the book.

Every Saturday, if possible, he ought to look forward in his book to see what is to come the next week, and then plan out his work for that week day by day. Each morning when he comes to the office he should look over in his book the things that are to be done that day, and get them done just as soon as he can, because before the day is far advanced he will be interrupted by telephone and personal calls, or by committee meetings.

Whenever the secretary writes a letter which needs a response, he should keep a carbon copy of that letter in a drawer near at hand, preferably the top or right-hand drawer of his desk. The carbon should not be filed until a reply to the letter is received.

The next thing he should do in the morning is to look over the mail and find out how many of the letters for which he holds carbon copies have been answered. Then he should clean up his correspondence for the day, dictating any necessary follow-ups that his pile of unanswered carbons may indicate, and calling any meetings or handling other matters which need prompt attention.

Sometimes in sending out quick notices to members a mimeograph machine is necessary. The secretary should therefore dictate his letter early in the morning, see a stenographic copy of it, O K it, and then get the mimeographed letter out of the way immediately. The entire office, if it closes at 5:30, should center on having all work completed by 5 o'clock, thus allowing a little leeway for unforeseen delays.

By other means or devices the secretary can readily plan to keep everything alive and going, and he should never let any subject die from lack of attention. Everything should be

cleaned up definitely one way or the other and the sooner the better.

The Yearly Program

At the beginning of the year the secretary should always talk over with the president the plans for the year, and in so far as possible a program should be established. This program can then be divided into months, and the months so far as practicable into weeks. Then at the end of the year, the president and secretary can look back over the program and see what has or what has not been done. The definite program serves as a chart of progress.

Calls from Members

When out-of-town members come to the city they should be encouraged to call at the association headquarters, even though they may interrupt the secretary in his immediate duties; such interruptions, indeed, constitute an important part of his work. The members usually have some question to discuss with the secretary and he should at all times be pleasant and cordial in giving them just as much time as they desire. They should at least telephone the association, notifying the secretary at what hotel they are staying and how long they expect to remain in town. Then if another member or a customer calls up the association and states that he understands that a certain member is in the city, the association can tell the inquirer when and where to get in touch with that member.

One might go on suggesting other similar details of office work which the association could carry on, but they are best left to the ingenuity and originality of the secretary, who should bear in mind that the more he can systematize and make effective the accurate, steady work of the association, the better will all the members be satisfied.

Secretarial Visits to Members

Calls by the secretary upon the members are the pleasant oil which makes the machinery of an association run smoothly. In this way a secretary gains a more intimate contact with each member and the member has a chance to discuss with the secretary many matters of private concern for which time is not available during association meetings and which the member would not be inclined to discuss in writing. Calls keep a secretary away from home, and traveling is not as pleasant and easy work as being in an office but by these calls a secretary cannot help but gain information, which otherwise might not come to his attention and which is most important to the welfare of the association. Even though business may not be mentioned at all during a secretary's call on a member, the pleasant relationship thus built up is of great value to the association.

A secretary should endeavor to call on all members at least two or three times a year. If the association is too large for him to do it personally, then assistants can do it; but just as we like to meet the president of a company, so a member likes to meet the secretary himself, and he resents it when an assistant or field secretary comes around instead. The secretary should write well in advance when he contemplates a call, to tell the member just when he is coming. Then the member can arrange to be at home if it is possible and if not the secretary is of course notified and is saved a useless trip.

Averting Dissension

A call by the secretary on a member may serve as a safety-valve, permitting the member to present some grievance which he would like to discuss. The discussion often so relieves his mind that he thinks no more about the matter. He may, perhaps, have some complaint against another member which the secretary can either correct by a word or two, or can take

under advisement and investigate and thus head off unfortunate consequences. If the grievance were allowed to grow, it might eventually become to the member concerned something most important and real. Then, too, when a member has an opportunity thus to relieve himself to the secretary he does not come to a meeting and attempt to bring in these irrelevant personal matters at that time before all the other members, and thus interrupt the consideration of business of general interest.

Before calling on a member a secretary should look over carefully the regular reports which the member is making to the association and should familiarize himself with all the conditions of that particular member's business. He should also inform himself of any subjects in which the member might be interested, so as to be posted on the latest information concerning them if the member should ask for further information. In making calls a secretary should go prepared with particular information applicable to each individual member.

The Secretary as Treasurer

In many associations the secretary and the treasurer are one and the same man. It is felt by some that such an arrangement is undesirable, because the secretary should not be embarrassed by having to collect dues and assessments from the members; but if an association amounts to anything there should be no embarrassment in this. The average dues and assessments are inconsequential in comparison with the association services and for that reason should never be given much consideration by a member except to see that they are paid promptly. On the other hand, as the association has headquarters and the facilities for keeping accounts, sending out bills, and doing all other work that has to be done by the treasurer, it makes for convenience if the secretary serves in the double capacity. And surely, if he is to be trusted with the statistics and private information of the members, he can be

trusted with this minor point of their finances. His books can be audited once a year and at the annual meeting he should be required to give a detailed statement of his accounts.

Another reason why this arrangement is most desirable is where associations base their prorated assessments on gross sales for the year previous. A member would not hesitate to give his gross sales to the secretary just as he gives him other confidential information, but he might not like to give this information to another member who chanced to be serving in the capacity of treasurer.

A voucher system of accounts should be kept and a detailed record made of all expenditures. The secretary should be especially careful to report every cent of cash expenditure by himself. Then if any member ever questions why, for instance, so much money has been spent on travel, there is a detailed account on file with the voucher to show every expense. This is only sound business procedure.

Compensation

The compensation of the secretary varies with the association. A majority of embryonic associations imagine that they can employ a secretary for about the same price that they would have to pay a clerk; and in procuring a so-called secretary for that price they generally get only a clerk. Then they wonder why their association does not progress. If the secretary is really competent, the amount of his compensation should not be a matter of any great consideration to the members. Even if he were to draw a large salary, it would be a comparatively small fraction of 1 per cent of the gross sales of the members, which are influenced by the success of the association.

A large number of the successful secretaries in this country who are handling large associations receive from $10,000 to $25,000 or more a year. If an association cannot afford to

pay such a salary to get the right kind of man, it is a good arrangement for several associations, especially if they are in one particular industry, to hire the same secretary. Such an arrangement makes it possible to pay him in total enough to make unattractive to him outside business offerings, or other secretarial positions. Thus each association does not have to pay as large a salary as would be necessary otherwise, and its office expenses also are shared with the other associations. There can be no question of the old theory that a laborer is worthy of his hire, and that a first-class secretary must be well compensated if he is to be secured and retained.

Another advantage of several associations being conducted, where possible, by the same secretary with one headquarters is that a large and competent staff can be maintained without a burdensome expense for any one association. With a large staff much more can be accomplished. For instance, if one of the associations wants to get out a special report immediately, the entire staff can concentrate on the report and issue it in two days, whereas a small staff employed by one association alone would have to take a week or ten days to accomplish the same work. In a large staff each person can have some specialized duty, which makes for efficiency.

The Secretary's Opportunity

The position of a secretary is largely what he wants to make it. There are but few positions which offer a larger freedom of action. The conscientious secretary does not endeavor to confine himself to a union schedule. Indeed he generally is thinking of his work throughout his waking hours. While he is not expected to punch a time-clock, he is not hired to be an idler. Fortunately, if an association amounts to anything such a secretary does not last long; it is results, within reasonable limits, which members ask for and are satis-

fied with, first, last, and always. If the secretary does his work conscientiously and to the best of his ability, and is a man suited for the vocation, he need not worry over any possibility of having to apologize or explain about his work or about the association; they will speak for themselves.

CHAPTER XVI

FACTS AND THEIR VALUE

The Value of Correct Trade Information

Every sincere business man is seeking the truth about his business, and its position relative to the industry of which it is a part. To have his business influenced by groundless rumor, incorrect information, or to be without information altogether, is to have his house built on shifting sands. To learn the truth, however, is not easy. A man may know all the facts in connection with his own company, but it is an extremely difficult thing to secure exact and trustworthy knowledge of the industry as a whole.

It is surprising that for so many years industries have gone along without much knowledge about essential conditions, either within their own fields or in relation to general business. That is one of the reasons why American industries, in spite of many advantages of situation, have not progressed co-ordinately with those in Europe.

Destructive Competition the Result of Trade Ignorance

The principal reason for destructive competition, as has been stated earlier in this book, is not any inherent, belligerent desire on the part of an individual manufacturer to crush his competitors; it is rather the lack on his part of reliable facts to provide a sound basis for his judgment. When the average business man is supported by an intelligent knowledge of facts, he is a man of good judgment. Give him the exact truth about a situation, in a form that he comprehends, and the great majority of competitive conflicts will take care of themselves.

Eliminating Market Fluctuations

One certain result of a knowledge of market conditions within an industry over a period of years will be the automatic elimination of market fluctuations. This is not a theory but a proved fact. When the manufacturers in an industry have clearly before them the condition of stocks in the market and the relation of supply to demand, the supply will adjust itself accordingly; there will be neither feasts nor famine in the placing of orders. This evenness of production benefits materially the ultimate consumer since, if a manufacturer who deals in a staple product can keep up his production twelve months in the year and can equalize and reduce his overhead costs, he will be able to sell his product at a lower price. But if a manufacturer is surfeited with orders three months of the year and is practically without any for the rest of the time, his turnover is very small, the expense of carrying stock on hand is great, and often he becomes overstocked and has to shut down.

Shut-Downs Expensive

A shut-down is an expensive expedient for all concerned. Employees are thrown out of positions and often migrate to another industry in their search for work. Then they must be replaced by new hands, who spoil products in learning how to make them, and the general organization of the factory is considerably disrupted. During a shut-down the factory overhead goes on just the same, without any compensating production to relieve it. Hence when production begins again the prices have to bear the burden of the shut-down. But if a knowledge of supply and demand in the market is in the hands of every manufacturer and he independently governs his actions accordingly, the industry adjusts itself, avoids an unequal distribution of business, and is able to keep in reasonably constant operation.

This statement, of course, does not apply to industries which are seasonal; such industries always adjust themselves to the product which they happen to handle, and the ultimate consumer expects to pay the extra cost simply because he is buying a seasonable product.

The Advance of Business Research

"Research" is the key-note today in factory, department store, and wholesale center, as well as in the university laboratory. This had begun to be true before the World War, but undoubtedly the war did much to make clear to business men everywhere the value of scientific planning and accurate knowledge of facts as the basis for such planning. Not only has research been rapidly extended to the fields of production, but the managers of business enterprises have found it necessary to apply its principles to the methods of purchasing and selling goods, to market conditions, to prices and costs, and to the factors by which market fluctuations may be anticipated.

The president of a large corporation recently closed a discussion with his executives with these words:

> You have your opinions about this matter and I have mine. My opinion is as good as yours and yours is as good as mine. Probably neither is worth anything. Get the facts and figures and let's decide the matter on facts and figures and not on opinion. Get enough facts and enough figures and they will decide any problem without argument.

The tendency to standardize research methods in all forms of business is interestingly discussed in a highly scientific article on the subject by Horace Secrist in the March, 1920, issue of the American Statistical Association's quarterly publication. As to the application of scientific methods to present-day conditions, this writer says:

> Research implies a laboratory from which facts may be secured or in which they may be developed. Because of the

> frame of mind which the war developed and nurtured, business today, in many respects, constitutes an ideal laboratory. Merely as the result of daily operations, great masses of comparable facts which may be statistically expressed are currently developed. Some of these are crude, it is true —they are "in the rough." This is especially so in small businesses where accounting principles are neglected or ignored, or where competition, state control, or public necessity has not required comparable records to be kept. In the larger industries, however, where markets are wide and competition severe, and where large-scale production, utilization of waste, and the creation of by-products is the rule, the facts are far more nearly satisfactory. Not for all purposes, of course, for no business fact, however carefully prepared, is equally good for all purposes. Definition, measurement, and use are interrelated; they cannot be divorced from one another. The field for business research is ready or in preparation; the sanction for research is daily being extended to private and public agencies. This sanction must neither be abused nor destroyed.

In the effort to standardize business facts Mr. Secrist adduces six prime requisites:

1. Statistical units must be homogeneous.
2. Statistical facts must be representative.
3. Facts must fit; they must be germane.
4. Facts must be stable; they must relate to purposes and conditions that are essentially uniform.
5. Both the facts themselves and the conditions of measurement must be comparable. Like can only be compared with like.
6. Facts must be essentially accurate.

In his book "Industrial Research," Dr. C. S. Duncan, of the University of Chicago, special expert of the United States Shipping Board, predicts a new era of co-operation and co-ordination and a greater stimulus on the part of business men in the use of scientific knowledge.

In the preface of his book Dr. Duncan says:

> 1. The immediate and primary need of business today is intelligent direction and control, individually, generally.
>
> 2. Intelligent direction and control of business can be had only by a better knowledge of business principles.
>
> 3. A better knowledge of business principles can be derived only from a careful and comprehensive survey of business facts.
>
> 4. To secure a careful and comprehensive survey of business facts is a problem for business research.
>
> 5. Therefore, the immediate and primary need of business today can be met only by business research.
>
> This means, also, that the research work so well begun in the field of production should be carried over into trade, into buying and selling. The beginning and the end of every business enterprise is a marketing problem. The problems of marketing, therefore, like factory problems, must be isolated, abstracted, analyzed after the scientific method. More deliberate, concentrated, prolonged, and undisturbed thinking ought to be applied to business problems. They are of vital importance to success; they are fascinatingly interesting in themselves; their very difficult complexity is a stimulating intellectual challenge; the rewards which their correct solution offers have no determinable limit.

No matter how astute or well informed a manufacturer may be in the theory of business, it is his manner of applying his knowledge which affects his product. The constant acquisition of new facts about market conditions is not an innovation and is not "theoretical"; it is business sense. Many a manufacturer whose father got along by himself without paying much attention to other concerns has been surprised to find out how much better he could do than father, after he has informed himself as to wnat the others were doing and as to his own relation to them. And many an industry has been immensely improved in prosperity by realizing that all those interested were conducting their business with a knowledge of facts. Definite knowledge of facts has benefited not only the

manufacturers or the merchants, or whoever it may be who make up the industry, but the ultimate consumer as well—in respect both to the price and to the manner of marketing the product.

Therefore, since it is proved that actual facts in the hands of the average man are much better than an endless number of theories, let us consider how he is to procure these facts.

An Important Function of an Association

One of the most important functions of an association is to give its members reliable information—facts—about the industry which it represents and about general market conditions. It is surprising to find out how few of the trade associations in the United States have gone into this matter hitherto in a businesslike way. The statistics which they have compiled have been so incomplete as to nullify their effort, and have made people exceedingly skeptical as to the value of all statistics. The World War, however, required a great many industries to get certain facts together in order that they might receive proper consideration by the Priorities Committee and such controlling organizations as were in existence in Washington during our national participation. This training in gathering together trade facts has really been one of the benefits that have come out of the war, although it is to be regretted that it needed the war to make people conscious of the necessity for such procedure.

So, of course, before the persons concerned in an industry can gain the facts they need, they must have some agency to collect and disseminate them. That is another reason for a well-organized trade association.

Confidence the Key-Note

It is necessary first that at least a few of the members in an association should have the desire for statistics or facts, and

enough confidence in each other to be willing to interchange this information through the secretary.

It is likewise necessary that these members shall have sufficient confidence in the secretary and that the secretary should be a man of such integrity that the facts can be given to him without a violation of confidence. Very few members of an association have enough faith in one another at the outset to make statistics possible. A new association makes a mistake if it endeavors to build up within a few months a complete statistical system of information. The attempt has been often made but it has never succeeded.

The usual result of an attempt to produce statistics too soon is that the statistics are of slight value and the members get discouraged; they lose their interest in the project and their desire for adequate and thorough statement of the facts fades out. An association should not be too hasty in undertaking this activity, important as it is, merely because some outside influence recommends it to them. After the members have become well acquainted with one another and have discussed matters in meetings, and after the desire for definite information springs up among themselves, then they can decide on what kind of statistics to collect.

The Danger of Undertaking Too Much

As stated above, it is undesirable for an association to try to get up its statistics all at once. The average vigorous business man is anxious to see things done as soon as possible, but all concerned should remember that they are dealing with human nature and bear in mind the psychology of the average man. You cannot force a man into a situation concerning which in the beginning he is skeptical. The business man naturally hesitates at first to give out any information about his business, even to a secretary in whom he has confidence. It is a process of education; and we all know that no man can

be educated overnight, no matter how good the teacher may be or how convincing the subject.

Simple Reports at First

When, therefore, an association has decided to interchange facts, the interchange should be made just as simple as possible. If, for example, it is an associaton of lumber dealers, no attempt should be made at first to divide all the reports into the various grades of lumber, but rather lumber should be treated in the beginning as an entity, and the members should be asked to report merely what their total orders have been, what their purchases have been, what they have shipped, and what stock they have in the lumber yard. This information can then be compiled in total, and if there are twelve members, for instance, the report can state for that month or week, according to the time decided upon, just what the total condition is for those twelve members. There is no way then by which the individual business of a member can be known, and a member will therefore be much more ready to contribute his facts.

But even if there are but twelve members in an association, it will doubtless be found that at first only three or four of them will want to send this information to the secretary. Later on another one may come in, and then another, until all are reporting. This has been the experience of the few associations which do get up statistics, namely, that their statistics all began in a small way with reports from a few members only, and that the statistics gradually grew by the participation in the reports of a new member every month or so.

Elaborating Reports

After the members have had an opportunity to see the value of a small and simple report, they will of themselves suggest that the report be made a little more detailed. Then, to go back again to the example of the lumber industry, the

reports can be divided into grades and separated into as much detail as is desired.

When this point is reached the objection will be raised that as soon as one begins separating the reports into grades of material, or in any way refining them or making them clearer, the members who are dealing in one grade may see that another grade is doing better and shift over to that grade. Or it will be urged that if there are only two or three people dealing in a certain grade, the condition of the business of these few will be too well known. This is merely a fancy which does not work out in fact; but if such objections are urged, the association or secretary must not be discouraged or think the situation hopeless.

When reports have begun to be elaborated, the members will want more and more of them; and after several years, reports will be issued by the association which at the outset not even the most enthusiastic member would have thought possible.

But note well the statement that it takes several years. Many men and many associations have thought that their reports were valueless because they were not developed and perfected in a few months. If the average association is able to develop a reliable and complete system of reports inside of five years, it can consider that it has made exceedingly good progress. Some have made better time and some have taken longer; but the average is about five years.

Participation in Reports Voluntary, Not Compulsory

Some associations make participation in reports compulsory for all members. Generally speaking, better results are obtained if participation is voluntary. The old saying about leading a horse to water applies. Unless the member is convinced that the reports are desirable, his participation in them is worthless; the individual rebels at being forced to do any-

thing against his will, and almost inevitably he looks askance at the results.

Participation in reports is a matter of education, and for that reason takes time and patience; but it is worth waiting for. When once the member has of himself expressed a willingness to bear a part he always does it a great deal better and receives a great deal more benefit thereby than if he had been made to do it. This statement, however, does not mean that the secretary should not endeavor at all times, in as diplomatic a way as possible, to call to the attention of non-reporting members the desirability of participation. Very often a member does not report simply because he is not really familiar with the purpose of the reports and how to make them out. He often thinks they are more trouble than they are worth. But the wise secretary, who knows each association member's personality, can frequently dispel such misunderstandings in the course of informal conversation.

Making Reports Accurate

In the beginning of this chapter it was stated that inaccurate association reports are most harmful. The question immediately suggests itself: "How can reports be made accurate?"

In the first place each individual member must be accurate in reports which he sends in to the association. But one may ask, "How can you guarantee that he is telling the truth in his reports?" The answer is: When a member realizes the value of reports he does not wish to receive incorrect information, and therefore he is not going to send in incorrect information which will render inaccurate the total which he receives. The accuracy of the association report is in direct ratio to the accuracy of the individual statements on which it is based.

But, as noted already, if a man is compelled to participate

in reports, he may unconsciously send incorrect statements simply because he is not interested in them or in the results to which they may lead.

Making Reports Understandable

Reports or statistics are not worth the paper upon which they are written or printed if they are not understood by the recipient. The reason for compiling the facts about an industry is not to show the mathematical ability of an association, or the beauty or cleverness of the manner of presentation, but to convey to the mind of the recipient the true facts about market conditions, so that he may intelligently govern his actions.

The average business man is not a statistician, nor has he the time or inclination to sit down with a mass of figures in front of him and try to dig out of them what they mean in relation to the conditions in his industry. The secretary and his assistants should make this analysis for him.

In this connection it should also be noted that graphic methods of presentation are of great assistance in the clear formulation of a report. Rightly to serve its purpose, the report should be a picture; that is to say, it should be in a form which can at once be comprehended, at least in all its essential features. A member can understand market conditions a great deal better if he can see at a glance what the conditions are. The effort should be made accordingly, whenever possible, to present information in graphic form.

But the graphic presentation of facts should also be accompanied by the figures in numerical detail, so that if a member finds a condition in the graphic report which surprises him he can immediately turn back to the figures and find out the reason. The man's interest in the report must first be gained, and after that his general comprehension. When these two things are accomplished he will often study a page of facts which, if glanced at in the beginning, would have repelled him.

When once the member has become accustomed to looking forward to his reports and to relying upon them in drawing his deductions, he will unconsciously, whether he admits it or not, govern his actions accordingly.

Reports Relieve Worry

For example, a man may be conducting a factory in northern Vermont which requires his close attention. He is unable to get away and meet his competitors or even his customers, and must rely on such information as he can gain by correspondence, from the newspapers or trade journals, or from his impressionable salesmen. No matter how reliable a salesman may be, he is certain sometimes to be misled by statements as to what are supposed to be actual facts.

During a time of depression this manufacturer away up in the woods may be wondering what his competitors are doing. He may be operating only two or three days a week—perhaps getting no new business at all—and he may be under the impression that his competitors are all running full. His salesmen, in order to excuse their own shortcomings, will doubtless claim that they are losing business to other people because these other people are cutting prices, etc. Thus this manufacturer worries a great deal over conditions and wonders if he is permanently losing his business.

But when he belongs to an association that sends him at least every week a report showing the business conditions of the entire industry, and also a confidential report about his particular relation to the industry, and when he knows that other manufacturers are likewise not operating full and that business generally is dull, he is greatly relieved and reassured. He does not think black thoughts about his competitors, or send his salesmen out with an idea of selling goods below cost; instead of this he desires to continue operating, just as his competitors are doing.

It is interesting to note that often when mails are delayed and a report fails to arrive on time, a member will telegraph the secretary and find out what the report is, so anxious is he to be reassured about the conditions of the industry. In fact, one of the greatest values of a report is that it relieves a member's mind with respect to current conditions. That helps him materially to conduct his business in a better and more satisfactory manner.

Industrial Report Services

In recent years several industrial report services have been established. Sometimes an association cannot go to the expense of creating an expert economic bureau to collect and interpret market facts. A service to collect and interpret such data for the various industries can do this work much more economically and efficiently, because it can afford to get the best experts and statisticians and to maintain such an organization as will give the best results. When these unattached service bureaus are established some industries, or even associations, make independent application to them for statistical service and information. This does not interfere in the least with the work of the association; it merely relieves the association of part of its task of collecting, compiling, and interpreting market facts.

CHAPTER XVII

STATISTICS AND THEIR USE

The Statistician

The average secretary is not a statistician, and even if he were he should not occupy his time with such detail work. He should understand statistics, their theory and practical possibilities, and in the beginning of the association's activity he will probably compile the reports. But as the association reports become more extensive, it will be necessary to employ an expert statistician who is thoroughly familiar with theory, compilation, and interpretation of reports. Others of the same sort may be added to the staff later on.

If statistics are to be worth anything at all they must be right, and to insure this their preparation must be in the hands of the right sort of people. Not every person who can run an adding machine can compile statistics. Merely adding figures and striking averages in order to show percentages and totals is of the very least importance in producing statistical reports.

The competent statistician is able in the first place to differentiate and to appraise the various records and statements that come to his attention. He can tell when a company makes a report to him, whether it is consistent with the possibilities of that company's production and general business record; whether, that is to say, it is correct, or incomplete, or doctored. In the second place he is able, in the reports which he himself compiles, to present this mass of data in a form which correctly and clearly interprets it. Thus his reports show the real facts of market conditions as the statistics reveal them.

Reliable Statistics Not Expensive Relatively

The right sort of people cost money. But the relative cost of reliable statistics, if they accomplish the ends in stabilizing market conditions and eliminating fluctuations, is after all comparatively little. If for an average industry the statistical information costs, say, $9,000 or $10,000 a year, the stimulus to the industry would be sufficient in all probability to bring the cost down to a small one-hundredth of 1 per cent of the benefits derived by manufacturers, merchants, and customers in improved sales and market conditions. As it is poor economy to try to save money when procuring medical aid for the individual, so the question of immediate expense should not stand in the way of getting the statistical information that will improve the health of an industry.

Best to Begin Modestly

On the other hand it is neither necessary nor desirable to attempt too much at first. It is not suggested here that an association should instal an elaborate statistical force at the outset. It is better to begin in a small way; then as the members see the benefit and value of statistics they will seldom, if ever, question the expense. The business man today will never hesitate about spending a dollar if he can see that he will get ten or twenty times that much in return. And after statistics have been developed over several years, it will be found that the members have begun to appreciate their value and will be willing to pay a reasonable amount for their further development and maintenance.

Not Necessary to Wait for Unanimity

Moreover, it is not necessary to wait until all members of the association are ready to participate in gathering the data. Some association members think that statistics compiled by an association should be 100 per cent complete, and that unless

every member in the association is participating in them the statistics are worthless. This is a false conception, because

(Retain, Office Copy) Attached to be mailed before or on.....

Name | **Report for week ending**

Class	Actual Orders in Tons rec'd during week	Actual Orders in Tons unfilled on hand	*Actual Tons (Net) made during week	Actual Tons shipped during week	Tons of Paper on hand end of week	**Normal capacity of finished paper per week
High Grade						
White, Colored, Waxing						
Manila and No. 2 White						
Towel and Napkin						
Toilet						

NOT TO BE MAILED

*Net product should be machine weight less average per cent of finishing waste. **Normal production being constant need only be stated at beginning of year or whenever normal production may change.

Private Information. To be mailed before or on.....

Name | **Report for week ending**

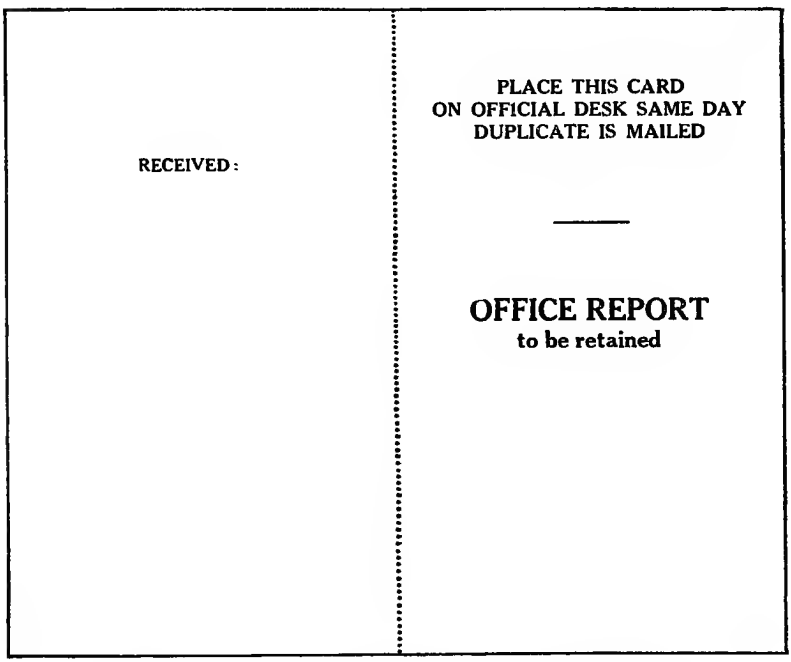
Class	Actual Orders in Tons rec'd during week	Actual Orders in Tons unfilled on hand	*Actual Tons (Net) made during week	Actual Tons shipped during week	Tons of Paper on hand end of week	**Normal capacity of finished paper per week
High Grade						
White, Colored, Waxing						
Manila and No. 2 White						
Towel and Napkin						
Toilet						

*Net product should be machine weight less average per cent of finishing waste. **Normal production being constant need only be stated at beginning of year or whenever normal production may change.

Form 9. (a) Member's Weekly Report (face). (Size 5½ x 6¾.)

statistics are not like a cost system; the aim in compiling them is not to prepare a record of every item as produced or marketed by the industry. Their purpose is merely to show

trends. The best statistical practice, therefore, would indicate that 60 per cent of an industry participated in a report, the record is complete enough statistically to give every member very valuable information about market trends.



Form 9. (b) Member's Weekly Report (reverse)
Right half constitutes back of upper part of Form 9a and is of the same size.

Nevertheless all members should be urged to participate for the more facts obtained the better the statistics will be; and as a matter of simple reciprocity no member should be willing to receive information without contributing his quota.

Useful Forms for Member's Reports

The best system to follow for the initial reports of members is to have them given in on cards, which are simple and

readily handled. The form of the cards may be somewhat as follows as shown in Form 9. They should be made in duplicate with a perforated division so that when one copy is mailed to the association the duplicate report is retained by the member.

Return envelopes in which the cards will fit, with the regular association address printed thereon, should be furnished to each member.

Rules should be given to the members as to how to make out the reports which in the beginning should be as simple as possible, and which should read somewhat as given in the following:

Rules for Compiling Weekly Reports

General

1. Separate your production into the distinctive classes as indicated on the cards.
2. Report each class separately on the card.

Production

Normal Capacity in Tons of Finished Paper Per Week. To determine your normal weekly production of a given class or kind of tissue paper, select weeks only in which your tissue machine or machines ran full for the entire week. Take six of your best weeks in 1913 and six of your best weeks in 1914, six of your poorest weeks in 1913 and six of your poorest weeks in 1914. Always bear in mind to deduct any finishing waste, if there is any. This gives a total production for 24 weeks. Divide this total by 24 and multiply the quotient by 50. This gives your normal annual production, allowing two weeks for shut-downs and holidays. Divide this result, your annual production, by 52. This gives your normal production in tons of tissue paper per week.

Note. The above weeks may be selected anywhere in the given year and need not be consecutive.

Actual Tons (Net) Made During Week. To determine your actual net tons production for a given week, take the machine weight of actual net tons made during that week and subtract average percentage of finishing waste.

ORDERS

Orders Received. All orders, when the specific amount and actual date for shipment is given, are to be reported in the week received.

Contracts or Standing Orders. Contracts or standing orders should not be reported when received, but only when a requisition for actual shipment is made. Then that order or requisition should be included in "Orders Received" for that particular week in which the requisition is received as well as in "Shipments" for that week.

SHIPMENTS

Tons Shipped During Week. Care should be taken in checking each invoice of shipments so as to give the actual net tons invoiced each week.

ON HAND

Tons of Paper on Hand. Determine the tons of paper in both jumbo rolls and finished which you have on hand by a running inventory, always bearing in mind that the average percentage of waste is to be deducted from all unfinished paper. If you do not finish your paper, then give the actual tonnage of your jumbo rolls on hand.

MAILING

Report should be mailed each week, whether mill is running or shut down.

Mail each report just as soon as possible so that it will reach New York on or before each Friday.

Send in your reports regularly.

If a report is delayed send it just the same, as it is always used in revision.

The association reports are mailed from New York every Friday morning.

It is desirable that the cards and envelopes should have some distinctive color for quick recognition and sorting at the association office. Each member should be sent enough report cards and return envelopes to last him several months.

When the reports are received by the association they should immediately be stamped with the time of receipt. They should then be copied on a large work sheet which has on the left-hand column of the page the names of the members who are participating in the report. Opposite each name, across

_____ Paper Manufacturers Association

Group _____ STREET
NEW YORK

PRIVATE WEEKLY WORK SHEET

Report for
Week Ending.....

NAMES OF MEMBERS REPORTING	Date Report Rec'd	NORMAL PRODUCTION		ORDERS				ACTUAL PRODUCTION		SHIPMENTS			STOCKS ON HAND		
				Orders Received		Orders Unfilled									
		Tons Per Week	Tons Per Day	Actual Orders in Tons Received During Week	Per Cent of Normal	Unfilled Orders in Tons End of Week	Number of Days Production	Tons Made During Week	Per Cent of Normal	Tons Shipped During Week	Per Cent of Normal	Number of Days Production	TONS OF PAPER ON HAND END OF PRESENT WEEK	TONS OF PAPER ON HAND END OF PREVIOUS WEEK	BALANCE ARD CORRECTION
TOTAL ISSUED															
LATE REPORTS															
FIRST REVISED TOTAL															
FINAL TOTAL															

Form 10. Association Office Weekly Work Sheet. (Size 12 x 14.)

the page, should be copied the member's report for that particular week. The sheet is only for office use and is never published. Form 10 gives a general idea of the form which might be used:

Late Reports

As the members should be instructed to mail their reports to reach the association office on a specified day, all reports should be checked when the last mail for that day comes in. Those members who have not reported should be wired to, and if possible a report from them should be obtained by wire. A printed form, similar to Form 11, should be sent by mail to remind them that their report has not been received.

——— MERCHANTS ASSOCIATION

——— St., New York.....192....

.....

We regret your Report for the four weeks ending..... did not reach us in time to be included in our association report for that period.

We hope your report is on the way. If not, that you will send it as it will be used in revision.

We would appreciate your mailing us these reports regularly and promptly so as to reach New York City not later than the Wednesday following each period.

Very sincerely yours,

.....Secretary.

Form 11. Reminder of Non-Receipt of Report. (Size 5½ x 3¼.)

If a report from a member is too late to get into the regular association report for a given week, the member should nevertheless be urged to send in his back report, or reports, in order that they may be incorporated in the revised reports for the earlier week to which they belong. In this way a historical

record is built up which is valuable as a basis for showing trends. But every member should be constantly urged to get his reports in regularly and early.

Analyzing Reports

When the members' reports for a certain period have been received, they should be analyzed carefully by the statistician to see if each report looks consistent. Frequently, through a stenographic or clerical error on the part of an employee of the member, one cipher too many may be added to some particular item on the report, or an even more serious mistake may be made. At this point one of the principal values of a statistician appears—knowing the industry closely he can immediately recognize the inconsistency of the report and wire the member for verification or correction.

When it is determined that all the members' reports as received are correct, the totals may be drawn, percentages computed, and the association report issued to the members.

Uniform Comparison

If a report is given for one week as compared to previous weeks, such comparisons should always be made from the same companies. For instance, you cannot draw a proper comparison between 20 companies reporting the first week of a month and 20 companies reporting the last week in the month *if they are not the same companies.*

Suppose, for example, that one of the companies included in the first week's report makes 25 per cent of the product of the industry, and that in the last week's report there is substituted for this company a smaller one making only 2 per cent of the product of the industry. Although the total, 20 companies, is the same in each report, it is obvious that the first report represents 23 per cent more production than the other. Since this fact is not known, a correct comparison is impos-

sible. If, therefore, in the first week there are 3 companies which are not included in the last week's report, they should be eliminated from the first week's report in order to reduce the comparison and have only the same companies compared.

In other words, all comparisons should be made only of the same plants, mills, or merchants. Furthermore, no absurd comparisons should be made such as comparing the production of a mill with the sales of a merchant. The two things are not comparable and the absurdity of attempting to compare them will immediately be recognized by a statistician, or by the experienced business man. Sometimes you will find people endeavoring to make such comparisons in order to prove inferences, though the attempt is as absurd as to compare the product of an apple tree and a cow. Both the apple tree and the cow may be part of the landscape but with this fact their relation stops.

Essential Information

Care should be taken that the reports do not contain any information which is not essential; they should be kept simple and vital. Some reports contain weather conditions, approximate capacity production figures, and similar indefinite or irrelevant matters which serve only to congest the report and confuse the recipient.

Accuracy and Promptness

It would seem almost unnecessary to urge that the two prime requisites in connection with the reports are, as mentioned in the previous chapter, accuracy and promptness.

If a member receives several inaccurate reports he will in a short time begin to doubt the value of the service; and no matter how many accurate reports he may thereafter receive, the doubt will still remain in his mind. Extreme care should be taken, therefore, to see that every report which goes out

is not only neat in appearance but also absolutely accurate. Furthermore, reports should always be issued promptly. If, for example, there are 15 members who participate in a report which is supposed to be mailed on Tuesday, and if only 5 of those members' statements are in on Tuesday, the report should go out just the same. Of course the rule of reason must apply where, for instance, there has been a general delay because of some condition which affects all mails; but as a rule reports should go out regularly, so that every member may confidently expect a report on the morning it is due. It is a great thing to have the members anticipate a definite report on a definite day once a week or once a month; nothing discourages and disgusts a man so much as slipshod reports which come to him at irregular intervals.

Developing the Report

After the initial report has been started and developed it may be improved upon, first by arranging the data in specific groups, and then, after sufficient facts have been received covering several months, by setting forth the information graphically. Forms 12, 13, and 14 show various ways of utilizing both numerical and graphic presentation.

Individual Records

Every member is anxious to know exactly how his business compares with that of his competitors, either collectively or in a group; it is desirable, therefore, that the secretary's office should keep a large individual report sheet, the same as the work sheet, for each member. As a matter of precaution, in case someone should accidently see this report, the name of the member should be indicated by a cipher code. When the report of the member is received for any particular week it may be copied on this sheet for that week and then under it may be placed the total reports of the competitors in that

MEMBERS REPORTS FOR THE PREVIOUS WEEK TO BE INCLUDED MUST REACH CHICAGO BY THURSDAY NOON
ALL ASSOCIATION REPORTS MAILED EVERY FRIDAY NIGHT

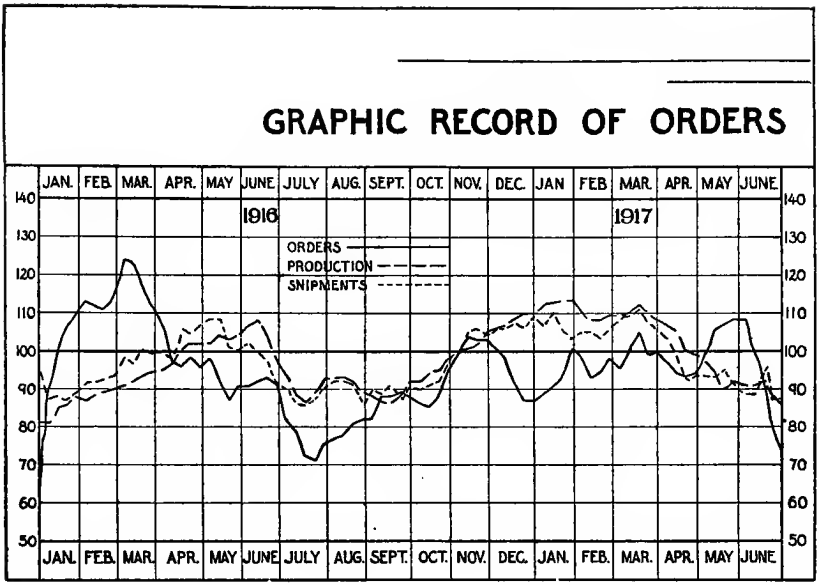
_____ MANUFACTURERS ASSOCIATION
_____ STREET
CHICAGO, ILL

CORRECT TO DATE
DESTROY PREVIOUS REPORTS

WEEKLY RETURN REPORTS

FOR WEEK ENDED	NUMBER OF MEMBERS REPORTING	NORMAL SALES FEET PER WEEK	ORDERS				ACTUAL PURCHASES		SHIPMENTS		STOCKS ON HAND	
			ORDERS RECEIVED		ORDERS UNFILLED							
			ACTUAL ORDERS IN FEET RECEIVED DURING WEEK	PER CENT OF NORMAL	UNFILLED ORDERS IN FEET END OF WEEK	PER CENT OF NORMAL	FEET BOUGHT DURING WEEK	PER CENT OF NORMAL	FEET SHIPPED DURING WEEK	PER CENT OF NORMAL	FEET OF LUMBER ON HAND END OF WEEK	NUMBER OF DAYS SUPPLY
					GRADE							

Form 12. Association Weekly Return Reports (Numerical). (Size 8½ x 11.)



Form 13. Association Graphic Record of Orders Received, Graphic lines can better be

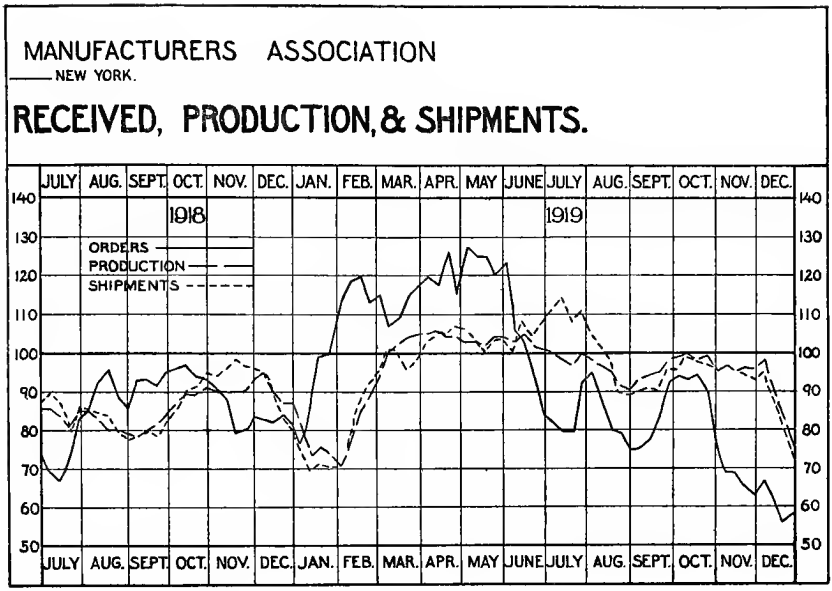
group. At the end of every three or six months this report may be sent to the member by registered mail, thus enabling him to compare his own record of accomplishment with the totals for his competitors.

Also a system of block charts making this individual comparison may be sent to him. An example is shown in Form 15.

The system of block charts, however, takes considerable time to compile in the office and is not as clear as it might be. The line system of graphic comparison, illustrated in Form 16, is a great deal better.

Raw Material Reports

After an orders-production-shipment report and a stock-on-hand report have been elaborated, it is quite desirable to start a new report such as is made on raw materials. Mem-



Production, and Shipment. (Size 27½ x 11.)
shown by various colors

bers are very much interested in the comparative prices which they have to pay for raw materials and this information is of great value to them. When a raw material dealer says that his prices are so and so and that they are much below the market, the individual member very often has no way of knowing what the market is. If he turns to trade papers, or even to newspapers, the information sometimes is not so full and accurate as he would desire. Now if he only knew what his competitors had paid for such and such a material a day or two before or a week before, it would enable him to judge better what he ought to pay.

Furthermore, the raw material dealer will urge a manufacturer to buy some particular product on the ground of an alleged shortage among the other mills. The dealer may insist that if the manufacturer does not buy at once somebody

Southern Pine Association

WEEKLY TRADE BAROMETER

No. 237

New Orleans, La., Jan. 6, 1920.

For the Week Ended Friday, Jan. 2, 1920,

146 MILLS REPORT:

	CARS	FEET
Orders on Hand	23,506	528,861,494
Orders Received during Week	2,265	50,960,235
TOTAL	25,771	579,821,729
Shipments during Week	2,802	63,042,198
Balance Orders on Hand	22,969	516,779,531

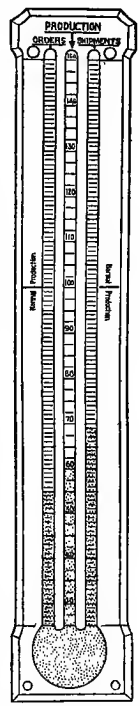
FOR THE WEEK (146 MILLS)	TOTAL	AVERAGE PER MILL
Orders	50,960,235 feet	349,043 feet
Shipments	63,042,198 "	431,796 "
Production	55,627,956 "	381,013 "
Normal Production These Mills	92,708,487 "	634,990 "

Shipments exceed Production for the week	7,414,242 feet	=13.33%
Orders below Production for the week	4,667,721 "	= 8.39%
Orders below Shipments for the week	12,081,963 "	=19.16%
Actual Production below Normal	37,080,531 "	=40.00%
Shipments below Normal Production	29,666,289 "	=32.00%
Orders below Normal Production	41,748,252 "	=45.03%
Decrease in Orders compared with last report	12,081,963 "	= 2.28%

PREVIOUS REPORTS

WEEK ENDED	MILLS REPORTING	AVERAGE ORDERS (Feet)	AVERAGE SHIPMENTS (Feet)	AVERAGE PRODUCTION (Feet)	AVERAGE NORMAL PRODUCTION (Feet)	TOTAL UNFILLED ORDERS	Average Unfilled Orders Per Mill (Feet)
Oct. 10	145	339,228	390,834	513,536	617,909	20,328	2,654,524
17	166	381,412	410,220	475,397	605,402	18,606	2,627,382
24	146	385,658	415,684	488,861	623,116	17,831	2,690,405
31	128	366,960	427,810	528,028	629,274	16,742	2,672,653
Nov. 7	158	452,989	411,580	505,451	619,567	19,909	2,775,793
14	146	638,482	444,787	526,724	638,908	19,914	3,024,064
21	157	684,053	471,522	520,898	613,404	21,750	3,071,460
28	160	769,472	441,619	602,495	603,387	23,814	2,299,876
Dec. 5	152	565,069	499,431	514,007	626,649	24,128	3,519,354
12	142	488,007	462,022	484,223	643,352	23,309	3,693,169
19	181	507,000	441,908	489,865	645,132	22,503	3,864,847
26	133	357,108	306,020	305,042	648,367	21,730	3,675,964
Jan. 2	146	349,043	431,796	381,013	634,990	22,969	3,539,586

22,499 feet is used as basis for carload being average load shipped in November.

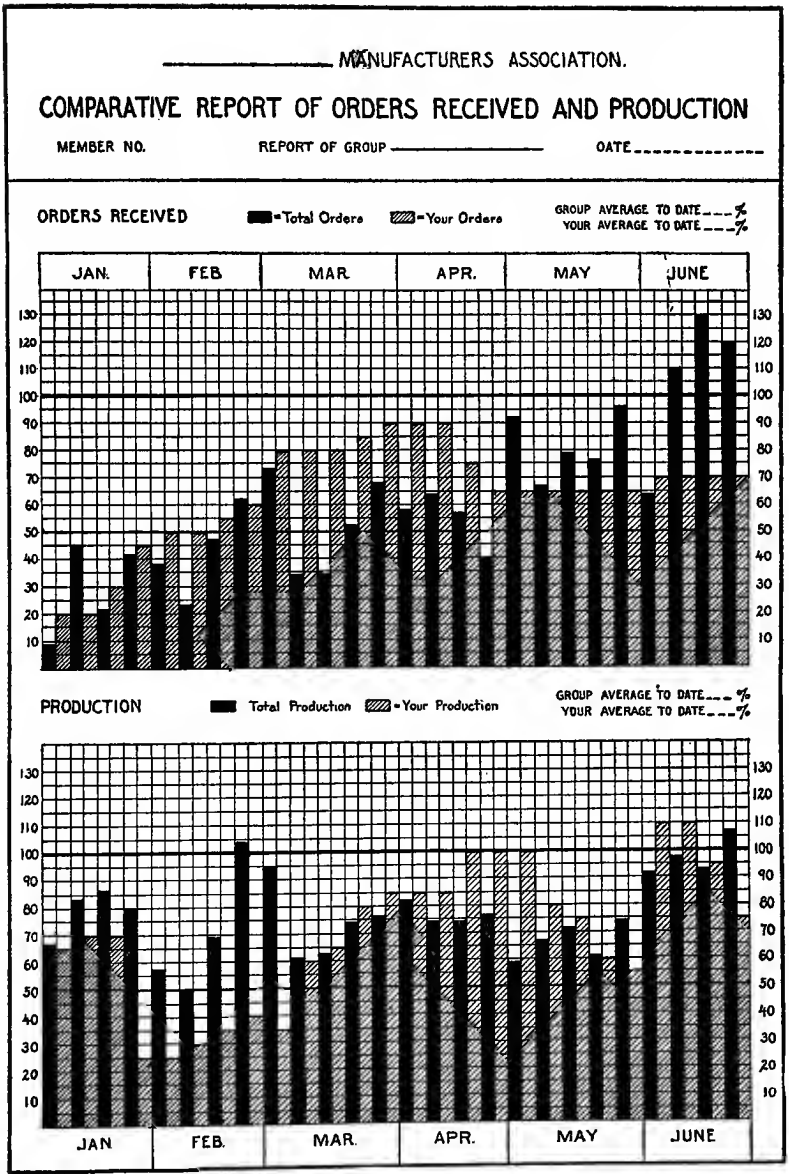


WEEKLY BAROMETER

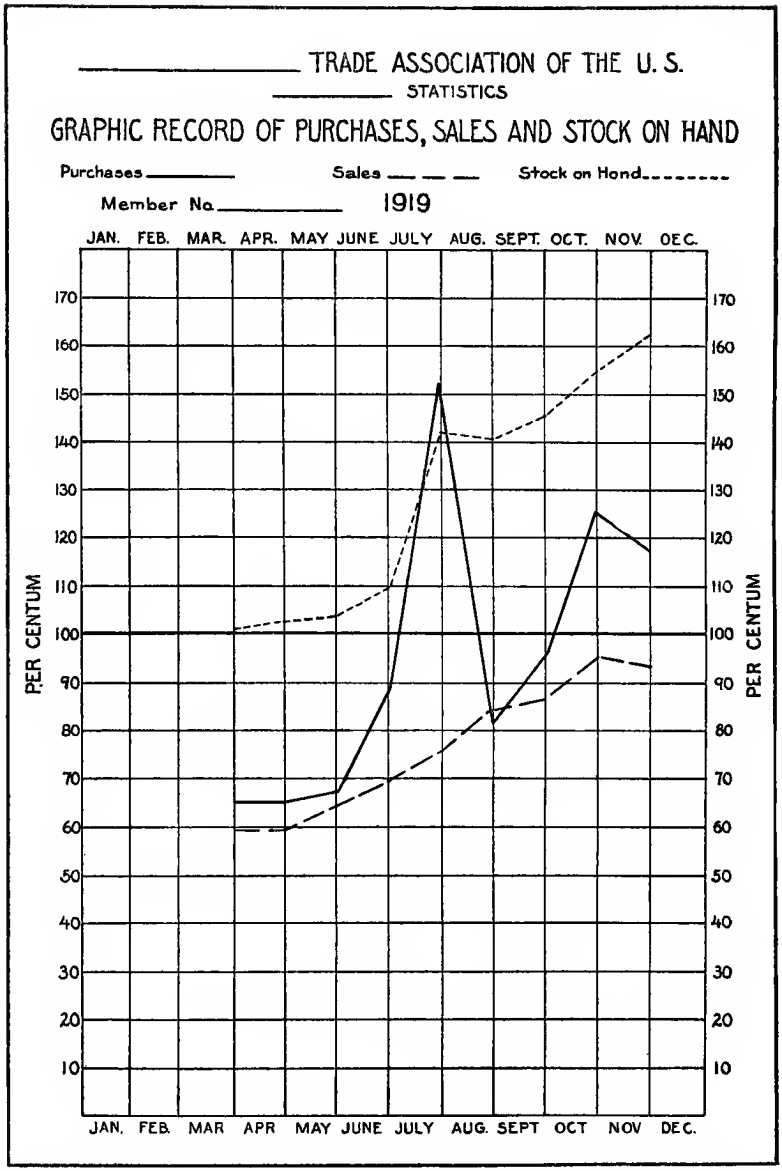
Barometer indicates percentage of Production, Orders and Shipments above or below Normal Production, which is shown as "Base," or 100%

Form 14. Association Weekly Trade Barometer. (Size 8½ x 11.)

else will, and he will be left without some essential material. If, then, the member knows exactly how much material the other mills have on hand, he can immediately tell whether the



Form 15. Association Comparative Report of Orders and Production. (Size 11¼ x 15.)



Form 16. Association Graphic Record of Purchases, Sales, and Stock on Hand. (Size 8½ x 11.)

dealer's statement as to a shortage in that particular article is true.

Members should be urged, therefore, to send to the secretary every week a record of their purchases. The objection may be made that the purchases will be so numerous that it

_____ MANUFACTURERS ASSOCIATION

_____ STREET
BOSTON, MASS.

WEEKLY RAW MATERIAL REPORT FROM MEMBER

Name _____ Date _____

Purchases for week ending _____

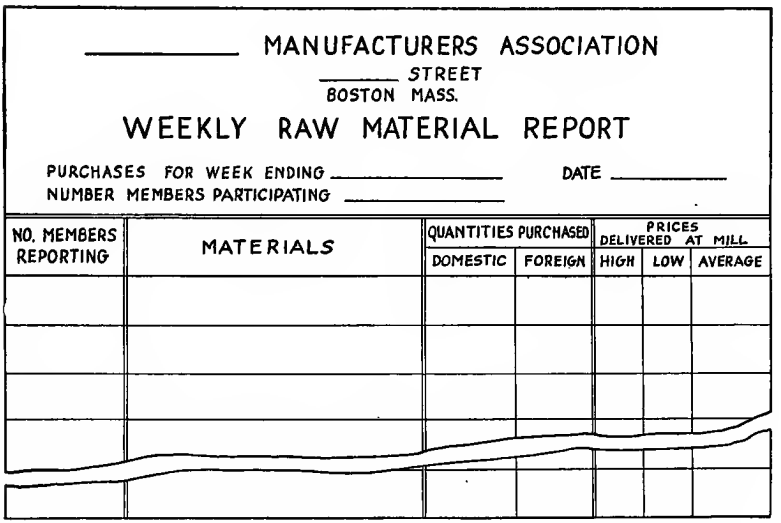
MATERIAL	QUANTITIES PURCHASED		PRICES - DELIVERED AT MILL	
	DOMESTIC	FOREIGN	HIGH	LOW
[NAMES OF REGULAR STOCK				
MATERIALS GIVEN HERE]				

Form 17. Member's Weekly Raw Material Report. (Size 8½ x 11.)

will be too much trouble to report them. That objection is not valid; no matter how many purchases have been made it is entirely practicable to make a report of that kind to the association and it will save the members a great many thousands of dollars.

Purchases Reports

When this information in regard to purchases has been received by the association, it is compiled in total form without giving the member's or seller's names, or any details of the purchase, merely stating what the articles are, the quantities purchased, and the prices paid. If several articles of the same kind are purchased and there is a variation in price, then the



_____ MANUFACTURERS ASSOCIATION
_____ STREET
BOSTON MASS.

WEEKLY RAW MATERIAL REPORT

PURCHASES FOR WEEK ENDING _____ DATE _____
NUMBER MEMBERS PARTICIPATING _____

NO. MEMBERS REPORTING	MATERIALS	QUANTITIES PURCHASED		PRICES DELIVERED AT MILL		
		DOMESTIC	FOREIGN	HIGH	LOW	AVERAGE

Form 18. Association Weekly Raw Material Report. (Size 8½ x 11.)

high, low, and average prices should be given. This is in no way a black list as no names are given, nor is it any restraint of trade. It is only a matter of general market quotations.

Forms 17, 18, 19, and 20 illustrate various forms of purchases.

Standard Nomenclature

It may be necessary to issue to the members some rules and instructions as to how to make out these reports. In this

CONFIDENTIAL

RAW STOCK SHEET FOR TANNERS — SHEEP AND LAMB

ON HAND
The last day of

MONTHLY STATEMENT
LEATHER INDUSTRY

TANNERS' COUNCIL
41 PARK ROW NEW YORK, N.Y

Returns should be mailed promptly at the end of each month in the enclosed envelope.

SHEEP AND LAMB

	PACKER OR EQUIVALENT	COUNTRY OR EQUIVALENT
WOOLSKINS		SKINS
SHEARLINGS		SKINS
PICKLED SHEEPSKINS		SKINS
PICKLED LAMBSKINS		SKINS
DRY SLATS		SKINS
IMPORTED ROUGH TAN		SKINS
OTHER		SKINS
SKIVERS		SKIVERS
FLESHERS		FLESHERS

Note:— Sheep hairskins should not be included in the above

No.

This stub is to be detached and placed in confidential file by _____ Statistician.

Reported by _____ Street _____ City _____ State _____
CONCERN

No.

Form 19. Monthly Stock Sheet Report from Members. (Size 8½ x 11.)

_____ MANUFACTURERS ASSOCIATION

_____ STREET

NEW YORK

WEEKLY RAW MATERIAL REPORT

FOR WEEK ENDED	NUMBER OF MEMBERS REPORTING	NORMAL CONSUMPTION	TOTAL PURCHASES		NUMBER OF MEMBERS REPORTING	PURCHASES CLASSIFIED		
		TONS PER WEEK	NUMBER OF TONS PURCHASED	PER CENT OF NORMAL	NO PURCHASES	[GRADES OR CLASSES OF MATERIAL IN SEPARATE COLUMNS]		

Form 20. Association Weekly Raw Material Report. (Size 8½ x 11.)

case it should be particularly specified what names shall be applied to the various items. As noted in Chapter IX, it is important, in order that standards may be set up for regular purchases, that the same names and specifications shall be followed throughout.

_____ SERVICE BUREAU

_____ STREET
PITTSBURGH, PA

QUARTERLY RAW MATERIAL INVENTORY REPORT FROM MEMBER

Name _____ Date _____

Stock on hand for quarter ending _____

MATERIALS	NO. OF TONS ON HAND	MATERIALS	NO OF TONS ON HAND
[MATERIALS CLASSIFIED AND			
LISTED HERE]			

Form 21. Member's Quarterly Raw Material Inventory Report. (Size 8½ x 11.)

Inventory Report

Every month the members ought to report what stock of raw material they have on hand. This can be reported back

to them in such a way as to give them an idea of just how much of certain materials the members as a whole have on hand, so that they cannot be deceived about the market being long or short on some particular commodity. This point is illustrated in Forms 21 and 22.

_____ SERVICE BUREAU

_____ STREET
PITTSBURGH, PA.

QUARTERLY INVENTORY REPORT

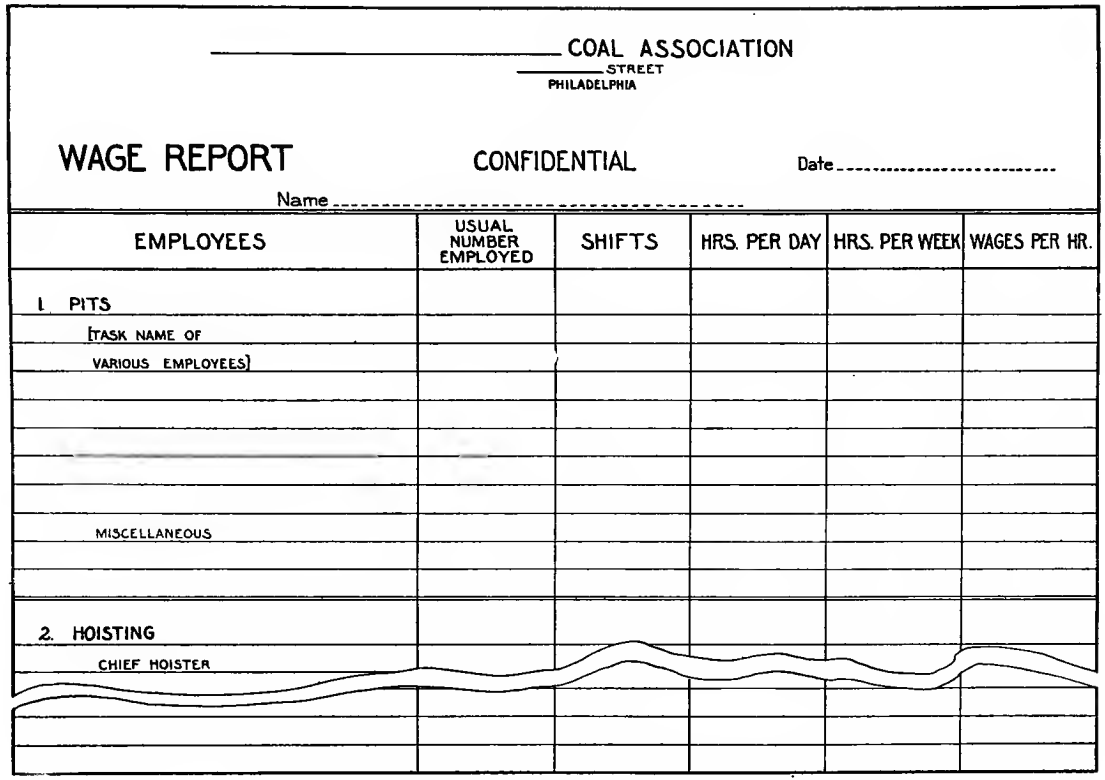
Inventories for quarter ending _____ Date _____.
Number members participating _____

NO. MEMBERS REPORTING	MATERIALS	SAME MEMBERS THROUGHOUT		TOTAL MEMBERS
		QUARTER ENDING	QUARTER ENDING	QUARTER ENDING

Form 22. Association Quarterly Inventory Report. (Size 8½ x 11.)

Labor Reports

One of the most valuable reports which a member can receive contains information relative to the wages paid in his competitors' plants. It is valuable because a labor delegation



_____ COAL ASSOCIATION
_____ STREET
PHILADELPHIA

WAGE REPORT CONFIDENTIAL Date _____

Name _____

EMPLOYEES	USUAL NUMBER EMPLOYED	SHIFTS	HRS. PER DAY	HRS. PER WEEK	WAGES PER HR.
1. PITS					
[TASK NAME OF					
VARIOUS EMPLOYEES]					
MISCELLANEOUS					
2. HOISTING					
CHIEF HOISTER					

Form 23. Member's Quarterly Wage Report. (Four pages.) (Size of each 8½ x 11.)

WAGE REPORT

_____ COAL ASSOCIATION

_____ STREET

PHILADELPHIA

This report is confidential, has been sent to you by registered mail and is not to leave your personal possession.

Date_____

_____

SECRETARY-TREASURER

EMPLOYEES	EASTERN PA.						WESTERN PA.						WEST VIRGINIA						ILLINOIS					
	SHIFTS	HOURS PER DAY	HOURS PER WEEK	WAGES PER HOUR HIGH	LOW	AVERAGE	SHIFTS	HOURS PER DAY	HOURS PER WEEK	WAGES PER HOUR HIGH	LOW	AVERAGE	SHIFTS	HOURS PER DAY	HOURS PER WEEK	WAGES PER HOUR HIGH	LOW	AVERAGE	SHIFTS	HOURS PER DAY	HOURS PER WEEK	WAGES PER HOUR HIGH	LOW	AVERAGE

Form 24. Association Quarterly Wage Report. (Size 11 x 8½.)

may call upon him and state that the employees of some department want an increase because in some other plant, which may be several states away, they are receiving such and such a wage. If the employer is a recipient of labor reports he knows whether the delegation is speaking the truth.

Each quarter the members ought to report to the secretary what wages are paid to every employee in their plants; that is, not to the employees individually, but to classes according to the particular kind of work they do. They should also report how many hours each class is working and any other specific information which is desired. A form for such a report is illustrated in Form 23.

This information is then grouped in totals, as illustrated in Form 24, and sent back to the members, giving the high, low, and average wage paid to the various classes of employees.

If the industry is national and if the groups of mills are located in different parts of the country, the report can be arranged by groups so that a proper comparison can be made. Employees of mills located in one state, say Illinois, may make certain claims in comparison with what is being done in Pennsylvania; accordingly the reports should be divided in such a manner that the members can easily see what is being done in each locality.

As these reports are most important in settling labor disputes, they should always be sent to the members by registered mail and treated by each one as confidential. There need be little fear, it may be remarked, that the information will be used indiscreetly.

Sales Reports

Sales reports, which can be made once a week or once a month according to the nature of an industry, are most valuable in showing the general condition of the market. In some industries, and in some associations, these sales or contract

reports are made in detail, as is shown in Chapter XVIII. A member should not hesitate about giving a report of his total sales to the secretary; no other member is going to see the information except as to the total for the entire industry, or for a specific group.

It is extremely valuable as well as interesting for an association member to know whether the sales in any industry are greater this month, let us say, than those of last month, for by this knowledge he is able to judge the trend of conditions.

Individual Reports

At any and all times the association should be prepared to give a member a full report of his conditions as compared with the total of his competitors or any given group of competitors; but at no time, of course, should any member ever be shown the report of another member without the specific permission of that member. Not even the officers of an association, it may be remarked, should see any individual reports of the members. If the facts thus presented are confined exclusively to the association office staff, there is never any hesitancy about giving frank and full information.

Graphic Reports

The desirability of getting out all reports possible in graphic form has been mentioned before. It is necessary, however, that graphic reports shall be prepared with extreme care and only by a statistician who knows their possibilities. For example, when a report is being prepared in graphic form a moving average should always be used so that the weekly or monthly fluctuations will not make the report look too much like a saw, but will show better what the *trends* are. It is the trends which the reports should especially show.

But in preparation of graphic reports and of all the more

refined, detailed, and comprehensive forms, it is necessary that people who have a thorough knowledge of the principles and practices of statistics shall have charge. To leave this to a person, however well meaning, who is uneducated in statistical work, is throwing away time and money; for the results which the members accept as accurate may be misleading and consequently dangerous.

Exposition by Secretary

For every meeting of the association large graphic wall charts should be prepared and presented before the members. The secretary in his report should explain what the charts mean, what tendencies are indicated thereon, and such other facts as are of interest and use to the members. He should be thoroughly prepared to comment on market conditions as shown by the information thus illustrated, so that his hearers will go away with a clear understanding of market conditions and carry the impression straight through their business transactions. In other words, the secretary's report at the meeting should endeavor to explain and emphasize the significance of the reports which the members have been receiving, and should point out to the members all the facts of market conditions which should be understood and used by them.

The Monthly Letter

As not all members are able to attend every meeting, a monthly letter should be compiled by the association and sent out in printed form. This letter should discuss general business conditions as they relate to the industry, and should analyze the conditions within the industry itself, so that once a month each member will receive a full statement in regard to both general and specific conditions. The letter should be written in simple, direct terms. All extracts from papers or journals should be reduced and compressed.

These letters should be of the same form as those issued by banks and should never contain over four pages of printed matter; they ought not to be burdensome to read. They should be printed in clear, attractive type.

The secretary in preparing these letters should use only the statistical facts he has available; he should not make *ex cathedra* statements. If he desires information on any particular subject the best way to get it is to find out the private opinions of various members, bankers, or experts, and then give their condensed, collective opinions. A member should never be quoted by name, as some other member may object to that particular member's statements. All these things rest on the secretary's judgment.

Annual Reports and Special Reports

Every year, of course, the secretary should prepare a clear and definite annual report in which all statistics and matters of interest in the industry are analyzed—a report which the members may accept as a kind of inventory of the entire industry, and on the basis of which comparisons can be made year by year as to the growth and changes which have taken place.

From time to time, moreover, the secretary of some committee to which some special task has been delegated may issue a special report.

Right Presentation Essential

The question is sometimes asked as to why it is difficult to get the right kind of secretary. One of the most perplexing difficulties is to get a man who not only can run an association properly and keep the members working well together, but who also can analyze and express business facts both in addressing a meeting and in writing a letter in such a way that the members will accept them in the right spirit and base their

judgment and actions upon them. Every secretary should be able to do this. And yet it is no easy thing to find a man who by endowment and qualifications can meet these requirements.

Some Principles Reaffirmed

In this chapter no attempt has been made to set forth the principles and rules of compiling statistics, nor to set up a system of reports which would apply to all associations or industries. The aim has been merely to give an idea of how these reports may be developed. Reports which will fit the needs of a particular industry must be worked out by the association that represents that industry, and, since the members in each association have their own peculiar problems, how the work is done rests with their own ingenuity and ability.

In conclusion it may be repeated that when the reports are issued accurately, promptly, and clearly, they will become invaluable to the members and resignations will become a thing of the past. Members cannot, in fact, afford to do business without the information in their reports; it would be the same as proceeding blindfolded. When a member realizes that facts alone must be the bases of his judgment, a great many of the difficulties in the industry will smooth out of themselves. Fair competition will be created, customers will be better protected both as to service and price, and everyone will benefit by greater prosperity based on a complete understanding.

CHAPTER XVIII

FAIR PRICES

Methods of Arriving at Prices

There are three methods of arriving at prices·

1. Unintelligent cutthroat competition
2. Price-fixing under monopolistic conditions
3. Intelligent co-operative competition

The third method is the only practical, economic, and enduring way in which fair prices can be arrived at and stabilized. This can be accomplished through a trade association. A trade association becomes indeed an economic necessity if continuing fair prices are to prevail. It is true and probable that fair prices may exist for a time where they do not result from the operation of a trade association, but they will inevitably be only temporary as they will be the result of accident rather than of intelligent deduction.

The first two methods of arriving at prices are impractical, uneconomic, and unenduring. In fact they produce unfair prices, because they are primarily based upon selfish motives. While supply and demand without interference would eliminate both cutthroat competition and price-fixing, yet in the past the selfish desires of those wishing greater profits have made it necessary to legislate against such unfair and uneconomic procedure in the determination of prices.

The evils of unintelligent cutthroat competition have been set forth in Chapter III. It is hoped that the reason as to why such competition is undesirable and dangerous to all concerned is obvious even to the man who has not learned its dangers and disasters as a result of expensive personal experience.

Prices which take into consideration only the producer or the distributer are inevitably apt to be unfair prices. Prices quoted should allow to the seller a fair margin of profit, and if no speculation comes into the transaction it is reasonable to assume that the goods, when they reach the ultimate consumer, will be at a fair price; provided the price has been made in a spirit of equity, and has been based on a due consideration of costs as well as the forces of the competitive market.

The Evil Results of Price-Cutting

Price-cutting produces losses. Losses have to be made up in some way if the producer or distributer is to stay in business. Therefore, ultimately, price-cutting necessitates that the loss shall be made up by price increases, and in the long run the ultimate consumer pays more than he would where a constant stabilized level of prices exists throughout the year. Any man would rather buy goods that he knows have a reasonably constant and fair value than goods which have a widely fluctuating price. Of course if he is a speculator it is quite different, but fortunately speculators are comparatively the exception.

Price-Fixing Economically Wrong

Price-fixing is both economically and legally wrong. It was practiced by the old monopolistic pools and trusts and had to be legislated against although, as already stated, if the law of supply and demand had been allowed to operate against such pernicious practice, price-fixing would have brought about its own extermination.

Opposition to monopoly prices arbitrarily fixed is inherent in the very nature of man. Every man wants his independence. In thought he is primarily an individualist. Subconsciously he thinks more about his individual self day by day and year by year than of any other thing in life; the

instinct of self-preservation is an evidence of this underlying thought. Therefore, when any barriers are created which detract from or curtail in any way that individualism, they immediately go against the man's nature, and whether he is conscious of it or not, they create a condition against which he sooner or later will rebel. Man and society are opposed to monopolistic impositions. Trade associations, representing the social consciousness, are emphatically opposed to anything which in the remotest degree is monopolistic.

The desire for self-expression leads every individual to seek also independence of action, and when this is not permitted because of certain monopolistic limits which other men lay down for him, he sooner or later, if possible, will break away from those limits and go his own way.

When a group of producers organized or even proposed a pool, each one of them found his independence and self-expression somewhat abridged in the manner of producing and marketing his product; and the result was a combination which was not merely illegal in the eyes of the law, but one which could not long endure. As soon as individual activities were limited by laying down hard and fast monopoly prices at which a product had to be sold, initiative was destroyed and desire for individual creative expression was limited. Sooner or later each one concerned rebelled against the imposition and broke away from the agreed plan. Then he was criticized severely for not keeping his word to his associates in the agreement, recrimination grew sharp, and the market was before long in a state of chaos. Is it any wonder that under such conditions competitors looked upon one another as men without honor?

During the war we had examples of price-fixing by the government, but these were only emergency measures to meet the exigencies of the occasion, and although they were economically unsound, everyone during such a crisis was willing

to sacrifice his individualism for the sake of the common good. This, however, cannot be expected of human nature in peace time.

Price-Fixing Legally Wrong

Price-fixing is legally wrong. Men could not see that it was economically unsound and therefore had to be made to see it by the enactment of laws which compelled them to do what was right for their best interests. The Sherman Law and the Clayton Act are helps rather than hindrances to business. They compel business to proceed in the right direction. These laws should never be looked upon as restraints inflicted on the business man but rather as aids in creating a condition in the market whereby he, as an individual, can prosper. Laws are not only made to protect the people in general but to protect certain people in particular from themselves, and the Sherman Law really is a protection not so much of the ultimate consumer as of the producer or the distributer. If the law is viewed at all times from this proper angle it assumes its correct status.

Sherman Law and Clayton Act Not Detrimental to Business

The trouble is not in the Sherman Law and Clayton Act of themselves, and not in their purely legal interpretation as handed down by the courts, but in the political interpretation which is constantly being placed upon them by none too brilliant office-holders. The average man, without advice of counsel, knows little about the authority which is vested in individuals to enforce the law. If, as too often happens, someone in the employ of the government comes forward mistakenly with the assertion that a certain man is doing wrong and that he is subject to indictment and conviction, perhaps to a heavy fine or imprisonment, the action, however well meant, tends to create in the minds of a great many men a fear of and

almost a rebellion towards the existence of these laws which relate so closely to business. Whereas there is nothing in the laws to be feared; there is nothing in them which does not make for the fullest welfare of every business man in this country.

Intelligent Co-operative Competition

Since fair prices cannot be the result of unintelligent cut-throat competition, or of a monopolistic combination which fixes prices, they can only be the result of intelligent co-operative competition; and such desirable competition can result and continue only through the operation of a trade association conducted along legal lines, which acts as a stabilizer of the market and naturally tends to prudent and equitable procedure.

A trade association, in its relation to prices, exists for a purpose very different from that of the trust or pool. The trade association accomplishes only the stabilization of the industry which, for the benefit of all from producer to consumer, it represents. It is a direct and positive social and economic necessity. By putting the industry on a basis of sound operation through an interchange of accurate costs, an equitable profit for all concerned in the manufacture or distribution of a product is secured, and a fair price is guaranteed to the ultimate consumer.

The association does not exist for the purpose of breaking the law, but rather for the purpose of preventing people from breaking the law; to repeat again, it exists not for the purpose of fixing monopolistic prices, but for the purpose of keeping people from fixing monopolistic prices. A trade association, therefore, becomes a direct, constructive force which results in the observance of economic and statutory laws. It is a help and a necessity rather than a hindrance in obtaining prices that are fair for producer, distributer, and consumer.

Government Cannot Produce Results

It might be thought that, if fair prices result from such a system as is established by a trade association, the same result could be brought about through some agency of the government. Anyone, however, who has had any experience with governmental agencies, bureaus, or commissions realizes that this is impossible. Each industry has to be concentrated upon as a unit in order to settle its problems of supply and demand, and the marketing of its product. If the United States government paternalistically attempted to do this for all the various industries in this country, it would require an organization too large and too unwieldy by far to give the direct attention which would be necessary to produce satisfactory results.

Furthermore, intelligent co-operative competition is the result of a better acquaintance among individuals brought about through their trade association, and one could not, even with the most vivid imagination, picture individuals becoming friends and confidants through the instrumentality of a government bureau.

A trade association, since it concentrates its attention upon the industry which it represents, is the only possible means of bringing about desirable social and business results. It insures honesty of reports to the association and accuracy of all reports as issued. Also it provides that every industry in issuing reports shall have them properly interpreted, and this demands undivided study and attention such as only a trade association can give.

The trade association becomes more or less a collective mind for producing the best, the most honest, and the fairest market conditions through its usual procedure of gathering fundamental facts and opinions. And the result, as has been stated before in this book, is summed up in fair prices to society.

Prices and the Association

How does the trade association exercise its relationship to prices? To all intents and purposes it does not exercise it at all; the relationship is purely passive. It is not a weapon, but may rather be likened to a light which plays steadily upon malpractices of all sorts, and under which the malpractices disappear, maladjustments are corrected, and fair prices result.

It is not hard to see that this result would be reached even if the members of an association got together purely for social purposes and business were never mentioned. The very fact that competitors do become better friends means that the tendency to undercut each other is minimized, because a man comes to realize that by trying to undersell a competitor he may be ruining himself.

Dangers Encountered

It is true that some associations have misunderstood the relation between associations and prices, with consequent trouble. The possible danger lies either in a lack of appreciation of the economic limits as heretofore set forth, within which any group of individuals can actively work for fair prices, or else in ignorance or wilful oversight of the limits rightfully imposed by law. Unfortunately there are many individuals who would have no mental scruples in doing anything provided they are not caught, but as a rule, the vast majority of business men are honest and want to do what is right if only they can understand the reason for so doing. An association is at fault if it does not clearly set before its members the real economic and legal reasons for treating the subject of prices in the right way.

Some people claim they ought not to join a trade association at all because it is concerned with prices, but a negative attitude toward what is right and necessary in business is

distinctly unprogressive. Far better for him to belong to a trade association which results in fair and equitable prices for the particular commodity with which it deals, than to remain outside and let his prices be governed by any wind that blows—to be placed sometimes in a position where, to protect his very existence, he will charge an unfair price to the ultimate consumer.

No one need hesitate about belonging to a trade association because of its favorable influence on prices. The association is simply a stabilizer through correct information and in no way takes away from the individual the right to make any price that he may wish. But as everybody who is in business has a reasonable amount of good judgment, the result is that every individual in the light of correct information will ask only a fair price. The existence, therefore, of trade associations because of their favorable influence on price is not only necessary but commendable, and the association that denies such influence is the one immediately to be suspected.

The Open Price

Let us now pass directly to a consideration of how trade associations operate in their relation to prices. The open price is the mark of the new and true competition. Truth in everything is a labor-saving device, whether with an individual or an industry. The old secret price, with its many accompanying lies, was cumbersome and ineffective. It was opposed to the rapid-fire, straightforward business method of today and was simply a cloak for fraud, deceit, and unfair discrimination. It fostered distrust between seller and buyer and was of no advantage to either. It was wasteful and wrong, just as the open price is economical and right.

The open price has come to stay and is growing among business men, because it is right and that which is right is bound to live and prosper; whereas that which is wrong, the

secret or the fixed price, brings about eventually and quite often painfully its own failure.

Price Information

The interchange of prices among members requires first of all that each shall know his costs. Just as no one individual can make a price intelligently without knowing his costs, no matter how many years of experience he may have had, so everyone who is to co-operate in the exchange of reliable information must base his information not on guesswork but on facts or costs.

In the second place, price information demands that the manufacturer know definitely general market conditions, such as are set forth by the right kind of information sent to him by the association. With a knowledge of trends of the market, and with a knowledge of costs, a man can then sit down and determine exactly what his own prices ought to be in order to protect himself against exigencies and to allow a reasonable margin of profit. When he has established these prices, and after they have been issued to his customers, he can then notify the association and the association in turn will notify the other members. It is much better for a member to receive this correct information from another member regularly through the association than irregularly and often incorrectly through a bargaining customer.

An individual's prices should never be made with any consideration of what his competitors are charging, but rather should be based alone on costs and general market conditions. There is no agreement here; there is no meeting of minds or collusion. It may be surprising, but it ought not to be, that when everyone uses the same basis for the judgment of his prices, the final prices, allowing for the different locations of the various plants and their different natural advantages or disadvantages, will be nearly at the same level.

Open Bids or Contracts

A number of associations exchange bids through the secretary. When several companies bid on a contract each sends a copy of its bid on a standard form to the secretary, who opens all the bids, makes a copy of each, and when all are received remails copies of all the bids to the members who sent him bids on the particular contract. If any member after he has sent in a bid wishes to change it, he is morally obliged to notify the secretary in order that all the participants may immediately be informed.

The members who bid on a contract therefore know exactly what the other members bid, and if desirable they can get together afterwards and discuss the reasons for and against various estimates. In this way a man who has not a correct cost system is shown where he is losing money or is making an excessive profit, with the result that he gets a better cost system; or if he is not estimating things correctly, he is shown the error of his ways and is able then to make better estimates. This is much fairer to the consumer or purchaser than the old manner of blind underbidding.

Under the system of open bids, when a man receives the contract he feels that he has received it on a fair and equitable basis, with a reasonable margin of profit, and he is not inclined then to save the profit to which he is entitled by giving the purchaser inferior service or material. The average consumer is willing to pay for what he gets, provided he knows that he is paying on a fair and square basis and the open bid or open contract arrangement makes such a basis perfectly possible and most satisfactory.

Sealed Bids

There is another way of handling the bids on a contract, and that is by sending them sealed to the secretary. In this way the secretary notifies the members how many people are

intending to bid. If for example there are six, then each one sends to the secretary five duplicate sealed bids. When these are received by the secretary from all six members, he mails each member a sealed bid from the other five and thus the information is received without being seen by the secretary. But such secrecy, of course, is unnecessary, because if the members that bid on a contract are permitted to see the other bids, surely there is no need to conceal them from the secretary. Moreover, this procedure is rather cumbersome since it makes it necessary for each member to make five copies of his contract, all of which detailed clerical work could just as well be done by the association office.

Records of Contracts

Many associations also keep a record and a copy of all contracts made by members. This is valuable as a matter of reference in making future bids and in forming a basis for general judgment of market conditions. As underlying factors in the market will change, so contracts will change, and if a proper history to show future trends is to be developed, it is therefore necessary, as a matter of record and statistical information, that all contracts should be preserved.

Open Prices in Operation

In a number of associations the members interchange every day their prices on their various items. This information is either sent in by mail or telegraphed, and is remailed to all those who participate. On a purely reciprocal basis a man who does not send in such information does not get any in return.

By such immediate interchange of prices the market is stabilized. No prices are suggested, no averages are advised, nor is influence used in any way. Facts are given and the individual can do anything he likes. He is not compelled in

BRIDGE BUILDERS & STRUCTURAL SOCIETY

INQUIRY

RECEIVED ..... 18 .....

PURCHASER .....

OWNER ..... ENGR. ARCHT. .....

DESCRIPTION .....

LOCATION ..... BID WHERE .....

TONNAGE (APPROX.) ..... BID WHEN .....

DELIVERED. ..... ERECTED ..... UNIT PRICE ..... LUMP SUM .....

REMARKS .....

OFFICE

Form 25. Open-Price Report—Member's Report Blank. (Size 8 x 5.)

BRIDGE BUILDERS & STRUCTURAL SOCIETY

BLUE TICKLER

NEW YORK

TO

PLEASE REPORT BELOW THE DISPOSITION OF THE FOLLOWING WORK ON WHICH YOU WERE LOW BIDDER IN THE SOCIETY

BID MADE ON OR ABOUT

ABOVE DESCRIBED WORK WAS LET TO

Form 26. Open-Price Report—Second Report from Members. (Size 8 x 5.)

any way to follow these prices; they may vary in any degree. All receive them for the purpose of knowing exactly what is being quoted in the market, and this is done in order that none may be deceived or misled by any false reports and thus

BRIDGE BUILDERS & STRUCTURAL SOCIETY
Secretary's Report of Order Placed

NEW YORK,

TO

WEEK OF

PURCHASER

DESCRIPTION

ABSTRACT OF

WEIGHT

ORDER PLACED WITH

PRICE AND TERMS

REPORTED BY

Form 27. Open-Price Report—Association Report of Order Placed. (Size 8½ x 7¼.)

endeavor to meet competition by quoting a secret or false price.

Various forms for open-price reports are illustrated in Forms 25, 26, 27, 28, 29, 30, and 31.

Market Reports of Past Prices

A great many associations deal in commodities on which it is not necessary—as with the securities listed on the stock

Bridge Builders & Structural Society
ABSTRACT OF PROPOSALS

To — New York

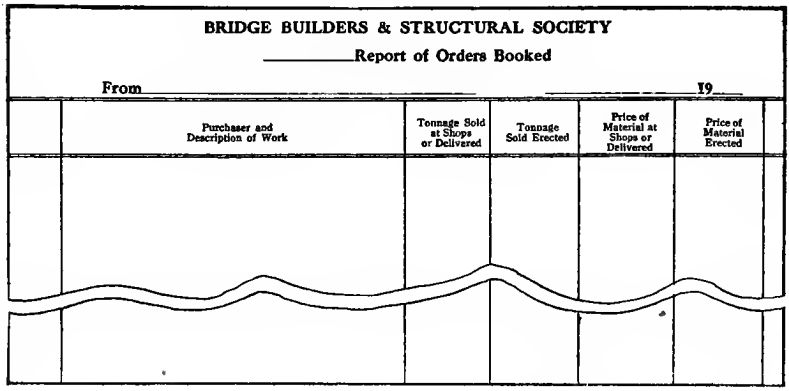
Name of Purchaser — Add. Inf.

Description of Work — Page

Date of Bid	Members Bidding	Estimated Weight	Price	Point of Delivery	Time Required	REMARKS

Form 28. Open-Price Report—Association Abstract of Proposals. (Size 11 x 8½.)

exchange—to know every day what is quoted. Daily information is necessary only on any commodities that daily fluctuate. Seasonal commodities should have daily reports



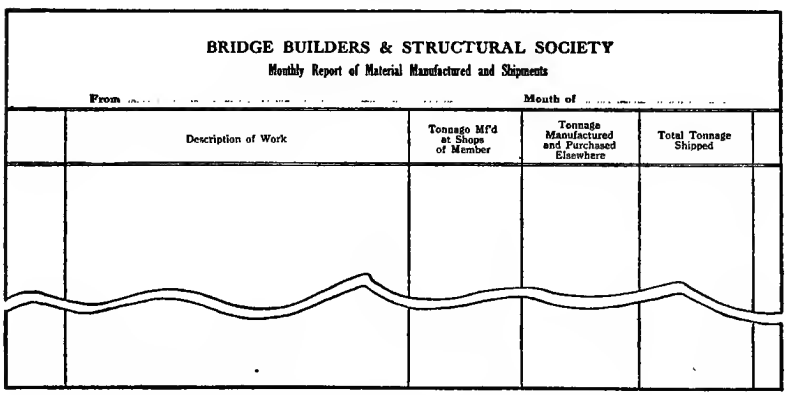
BRIDGE BUILDERS & STRUCTURAL SOCIETY

Report of Orders Booked

From _____ 19__

Purchaser and Description of Work	Tonnage Sold at Shops or Delivered	Tonnage Sold Erected	Price of Material at Shops or Delivered	Price of Material Erected

Form 29. Open-Price Report—Member's Report of Orders Booked. (Size 8½ x 11.)



BRIDGE BUILDERS & STRUCTURAL SOCIETY

Monthly Report of Material Manufactured and Shipments

From ..... Month of .....

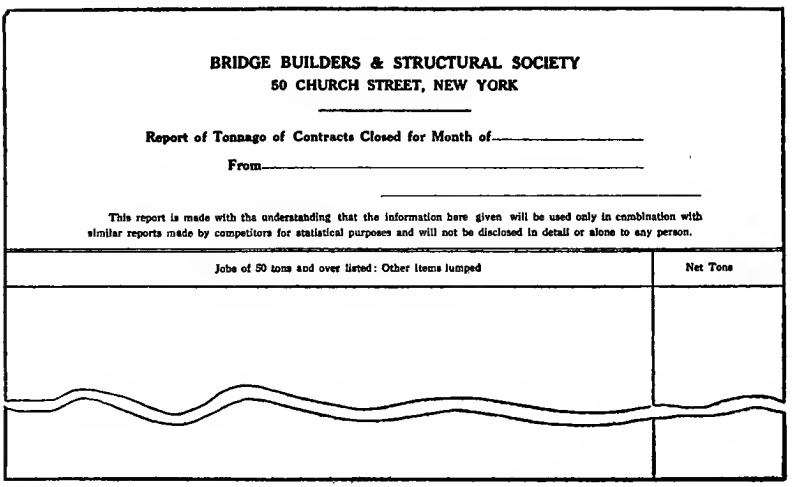
Description of Work	Tonnage Mf'd at Shops of Member	Tonnage Manufactured and Purchased Elsewhere	Total Tonnage Shipped

Form 30. Open-Price Report—Member's Monthly Report of Material Manufactured and Shipments. (Size 8½ x 11.)

during the selling season. But on general mercantile products it is not necessary that such information be distributed more than once each week, or fortnight, or even month.

Form for Reports Used

It would be impossible to suggest within this book the various forms that may be used for reporting past prices, as every industry deals in a dissimilar commodity and therefore report forms of past prices have to be made distinctive. But there are one or two general principles which should apply.



BRIDGE BUILDERS & STRUCTURAL SOCIETY
50 CHURCH STREET, NEW YORK

Report of Tonnage of Contracts Closed for Month of_____

From_____

This report is made with the understanding that the information here given will be used only in combination with similar reports made by competitors for statistical purposes and will not be disclosed in detail or alone to any person.

Jobs of 50 tons and over listed: Other items lumped	Net Tons

Form 31. Open-Price Report—Member's Monthly Report of Tonnage of Contracts Closed. (Size 8½ x 11.)

The report should always state that the prices were quoted for some definite previous period; it should be signed with the company name and the name of an authorized official of the company, and should be dated. All essential information as regards differentials, extra charges, freight, etc., should be indicated on the report.

The report should also have printed thereon that any prices or quotations which are given are offered voluntarily for a previous period by the company reporting; that the secretary guarantees that the copy is an exact reproduction of the report as received by him from this member; and that this original

report is at the office of the association for the inspection of any member that has participated in the report, or of any public official who in the performance of his duties is legally authorized to investigate the workings of the association.

REPORT FROM MEMBER TO MEMBERS — GROUP C.

_____ PAST MARKET TRANSACTIONS

For Information of Members only

_____ Sec'y. Member's Name_____

Philadelphia, Pa

The following were our prices to the Merchants._____ 192___

NAME & SHAPE	QUANTITY	FLAT PRICE	CHANGES FROM LAST REPORT	EXTRAS	REMARKS

NOTE.—The foregoing quotations are the prices, which were asked independently last month by the companies represented in this report. The Secretary guarantees that these quotations are an exact transcription of report received by him from this member, which report is on file at his office for the inspection of any member participating in this report, or "any public official who, in the performance of his duties, is legally authorized to investigate the workings of the Association."

As regards this report neither the Association nor any of its officers have made any comment. No participant or any member of the Association is bound by any quotations appearing in this report, which is merely sent to those who wish to interchange such facts for their information about past market conditions.

This report is only mailed to those members participating in this monthly report and should be treated by recipients as absolutely confidential. Under no conditions is this report to be copied in full or in part, or shown to any customer.

Signature.....

Date..... By.....

Form 32. Report from Member and to Members; Past Market Transactions. (Size 8½ x 11.)

Members, of course, should be furnished with blank report forms, as illustrated in Form 32, to be filled out. The association may then copy their reports on similar forms and send copies to the participants.

As a matter of reciprocity the reports should be mailed only to those members who participate and should be treated by them as absolutely confidential. Under no conditions should they be copied in full or in part, or made public property, without the permission of the member sending in the report.

Averaging Prices Not Allowable

No comment should ever be made on a report by the secretary or by any officer of the association, and no participant or member of the association should feel in the least bound by any quotation that appears in the report.

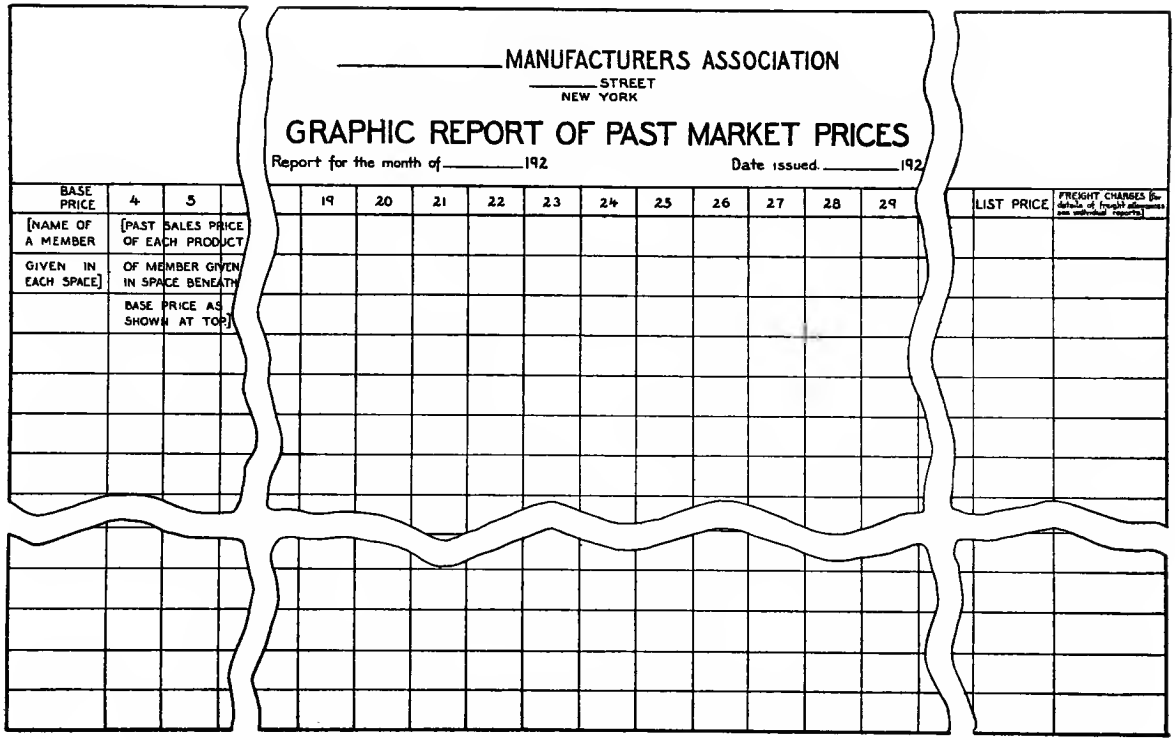
A case in point came up in the Missouri courts against the Yellow Pine Manufacturers Association several years ago. The secretary had received price reports from the members and from them had selected arbitrarily certain reports from which he averaged the rates and sent this average on a current price sheet to all the members.

This practice the Supreme Court of Missouri condemned as a "price-boosting" device. Had the secretary simply published the prices and allowed the members to draw their own conclusions this action would have been legal; but when he averaged the prices for the various items he began to dictate or suggest what the prices should be.

Therefore, if the current prices of the different members are merely published without comment, they constitute nothing more or less than a market report such as is daily seen in the newspapers.

Composite Reports

The forms in which the association may send out this past price information, however, can be improved and simplified to suit the case. In a large association where there are seventy or eighty members that exchange information as to their prices



_____ MANUFACTURERS ASSOCIATION
_____ STREET
NEW YORK

GRAPHIC REPORT OF PAST MARKET PRICES

Report for the month of _____ 192 Date issued. _____ 192

BASE PRICE	4	5	19	20	21	22	23	24	25	26	27	28	29	LIST PRICE	FREIGHT CHARGES [for details of freight allowances see individual reports]
[NAME OF A MEMBER	[PAST SALES PRICE OF EACH PRODUCT														
GIVEN IN EACH SPACE]	OF MEMBER GIVEN IN SPACE BENEATH														
	BASE PRICE AS SHOWN AT TOP]														

Form 33. Association Monthly Report of Past Market Prices. (Size 32½ x 16.)

every fortnight, it is a difficult task for each member, upon receiving seventy or eighty different price lists, to analyze them so as to show the comparative values in the market. In such a case the association can prepare a large composite sheet of prices, on which a list of the members is given in the left-hand column and the prices are graded across the sheet, somewhat as in Form 33.

Discussing Prices at Meetings

The uninitiated often feel that the discussion of prices constitutes one of the main activities of an association. It has been long the opinion of members of the most successful organizations in the country that price discussions, although not illegal, are of little value. They feel that the development of a complete system of statistical reports from which the members can keep track of the economic fundamentals of the industry together with current conditions of the market, is the most important aid to them in the proper conduct of their business.

While the discussion of prices or quotations at meetings is not illegal if properly done, the border line is so close and the speakers are so apt to overstep their bounds that it is necessary for all discussions on this subject to be carefully watched. When the discussion becomes in the least questionable, it should be shut off and the member reminded that the association desires above all to keep within the letter and spirit of the law.

The shutting off of such discussions must, of course, be made by one who is thoroughly familiar with the law. Some associations have their counsel present at all meetings and he naturally would be in the best position to give advice along this line. In other associations the chairman or the secretary stops any improper discussions.

It should always be the purpose of the association to con-

duct its business openly and frankly. To avoid any suspicion at any future date when the activities of the association might be questioned, a stenographic report of everything that is said at the meeting should be made and kept on file. The report itself is an aid toward developing the work of the association along the right lines because it compels the members to be careful of what they say.

Three Methods Summarized

It should be acknowledged, therefore, that fair prices cannot result from blind, destructive competition, nor yet from secret monopolistic agreements. They can result only from individual judgment and intelligent co-operation, from a knowledge of costs, and from constructive competition. A trade association is the means, and the only means, to this legitimate end. It aids in regulating and stabilizing the industry, resulting in better quality, better service, and fair prices to the public.

CHAPTER XIX

THE LAW AND THE ASSOCIATION

The Sherman Anti-Trust Law

The Anti-Trust Law, commonly called the Sherman Law, has been on the statute books for thirty years, and yet while all business men, particularly manufacturers, have heard of the law, have feared its effects, and have spoken of and about it with bated breath, many of them have never read it or heard it read, and have little knowledge of what it really forbids. Practically all that most men know about the Sherman Law is that by its terms they are forbidden to enter into an agreement with another in order to fix the same prices for their product; and accordingly they seem to think that by reason of such prohibition their profits have been impaired.

The Sherman Law and Trade Associations

The Sherman Law really has only two sections relevant to the activities of trade associations, which clearly state how far co-operation may be carried. The first section stipulates that trade between the several states may not be restrained by contract or combination. The second section states that no person or group of persons shall combine or conspire to monopolize any trade. The law fixes a definite punishment for such violations.

When viewed in the proper light, the law is neither new nor such a dire incubus upon business as some people seem to believe. Certain laws like certain individuals have to be known to be appreciated. The two important sections of the law, as suggested above, are as follows:

Section 1. Every contract, combination in the form of a trust or otherwise, or conspiracy in restraint of trade or commerce among the several states or with foreign nations, is hereby declared to be illegal.

Every person who shall make any such contract, or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both said punishments in the discretion of the Court.

Section 2. Every person who shall monopolize or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several states, or with foreign nations, shall be deemed guilty of a misdemeanor and, on conviction thereof, shall be punished by fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both said punishments in the discretion of the Court.

Observe that the first section is aimed against restraints of trade by contract, combination, or conspiracy to restrain trade; and the second section is designed to prevent monopolies, attempts to monopolize, or combinations or conspiracies to monopolize. Of course, although these two things inevitably coalesce to a measurable degree, it is possible to be guilty of one and innocent of the other.

Origin of Trade Laws

In order to obtain a thorough, or at least a better, understanding of the reasons which actuated Congress to the passage of the Sherman Law, it might be instructive to take a rapid glance at the early law, that is, the common law of England.

In the very early days the term "contract in restraint of trade" was applied merely to contracts by which a man bound himself not to carry on his business or calling in any part of the kingdom of Great Britain. Such contracts were declared

illegal as being against public policy, so that, in order to avoid this condemnation, such contracts came to be drawn with the notation that some remote part of the land was excluded, just as today in this country we draw similar contracts and except therefrom some remote state, or some state with a scanty population, Nevada, for instance, or Arizona.

Monopolies, on the other hand, originally were in the nature of grants from the Crown, giving to some individual the sole and exclusive right to deal in some particular commodity. Eventually these grants were abolished because of the evils which their possession created. Some of these evils were:

1. The power which such monopoly gave to the one who enjoyed it to fix the price and thereby injure the public.
2. The power it engendered to limit production.
3. The danger of deterioration in the quality of the monopolized article which it was deemed was the inevitable result of the monopolistic control over its production and sale.

Of course, the above evils related solely to monopolies created by grants from the king. As a consequence of their abolishment a new scheme called "engrossing" came about, which was nothing more than the obtaining by an individual, or a group of individuals, of a large proportion of the trade of some commodity by means which were considered to be dishonest, and then raising the price to the consumer. This so-called "engrossing" was later also legislated against and eventually came to be called "monopolizing," from which we get the present meaning of the word.

Finally, after a long term of years, such acts as constituted "engrossing" came to be considered also as a restraint of trade because of the obstacles which such acts placed in the regular course of trade.

Relation of Monopolies and Restraints of Trade

From this short history we see plainly how closely connected are restraints of trade and monopolies. The legislatures and the courts of this country followed closely the varied changes in the laws of England made necessary and expedient by the changing conditions of trade and civilization.

The general result in England of the acts of Parliament and the decisions of the courts was that freedom to contract and to abstain from contracting and to exercise every reasonable right incident thereto became a rule of law; except that the individual could not unreasonably restrain his right to carry on his trade or business, nor could he restrain the free course of trade by contracts or acts which implied a wrongful purpose.

The Rule of Reason

The United States adopted the same rule, and in the Standard Oil case the United States Supreme Court held that this rule was embodied in the Sherman Law; hence we have the so-called "rule of reason," its language being:

> It follows that it was intended that the standard of reason which had been applied at the common law and in this country in dealing with subjects of the character embraced by the statute was intended to be the measure used for the purpose of determining whether in a given case a particular act had or had not brought about the wrong against which the statute provided.

The court says further, that Section 2 of the act is merely an attempt to make certain that no method or scheme to restrain trade may escape the condemnation of the act, and is no more than a complement of the first section, and that:

> It becomes obvious that the criteria to be resorted to in any given case for the purpose of ascertaining whether violations of the section have been committed is the rule of reason guided by the established law and by the plain duty to enforce

> the prohibitions of the act, and thus the public policy which its restrictions were obviously enacted to subserve.

In the same case the court states that the necessity for adopting the "rule of reason" is that it must be determined in each case whether or not the effect of the contract or combination restraining trade is direct or indirect upon interstate commerce. If direct, it is a violation; if indirect, it is not.

In the American Tobacco Company case it was held that such contracts, to be illegal, must be "undue restraints"; that is, they must unduly restrict competition or unduly obstruct the due course of trade, or they must, either because of their inherent nature or effect, or because of their evident purpose, injuriously restrain trade. Thus each case of an alleged violation of the act must be decided upon the facts of that particular case, and in considering it there must necessarily be many factors which enter into the final determination.

In the opinion of the Supreme Court of the United States in the case of Eastern States Lumber Association it is stated that:

> The Sherman Act has been so frequently and recently before this court as to require no extended discussion now. . . . It broadly condemns all combinations and conspiracies which restrain the free and natural flow of trade in the channels of interstate commerce. It is true that this court held in the Standard Oil and Tobacco cases, and in the subsequent cases following them, that in its proper construction the act was not intended to reach normal and usual contracts incident to lawful purposes and intended to further legitimate trade, and summarizing the meaning of the Act in the Tobacco case, this court said:
>
> "Applying the rule of reason to the construction of the statute, it was held in the Standard Oil case that as the words 'restraint of trade' at common law and in the law of this country at the time of the adoption of the Anti-Trust Act only embraced acts or contracts or agreements or combinations which operated to the prejudice of the public interests

> and unduly restricting competition or unduly obstructing the due course of trade, or which, either because of their inherent nature or effect, or because of the evident purpose of the act, etc., injuriously restrained trade, that the words as used in the statute were designed to have and did have but a like significance."

The same principle was affirmed in Nash *v.* United States. The court in the Standard Oil case construed the act as intended to reach only combinations unduly restrictive of the flow of commerce, or unduly restrictive of competition, and illustrating what were such undue or unreasonable combinations, it classed as illegal:

> . . . all contracts or acts which were unreasonably restrictive of competitive conditions, either from the nature or character of the contract or act or where the surrounding circumstances were such as to justify the conclusion that they had not been entered into or performed with the legitimate purpose of reasonably forwarding personal interest and developing trade, but on the contrary were of such a character as to give rise to the inference or presumption that they had been entered into or done with the intent to do wrong to the general public and to limit the right of individuals, thus restraining the free flow of commerce and tending to bring about the evils, such as enhancement of prices, which were considered to be against public policy.

In Lowe *v.* Lawlor the Supreme Court held that a combination to boycott the hats of a manufacturer and deter dealers from buying them in order to coerce the manufacturer to a particular course of action with reference to labor organizations, the effect of the combination being to compel third parties and strangers not to engage in a course of trade except upon conditions which the combination imposed, was within the Sherman Act.

In Gompers *v.* Bucks Stove and Range Co., after citing Lowe *v.* Lawlor, the Supreme Court said:

> The principle announced by the Court was general. It (the Sherman Act) covered any illegal means by which interstate commerce is restrained, whether by unlawful combinations of capital, or unlawful combinations of labor; and we think also whether the restraint be occasioned by unlawful contracts, trusts, pooling arrangements, black lists, boycotts, coercion, threats, intimidation, and whether these be made effective, in whole or in part, bv acts, words or printed matter.

But in order to show a combination or conspiracy within the Sherman Act, some agreement must be shown under which the concerted action is taken. It is elementary, however, that conspiracies are seldom capable of proof by direct testimony and may be inferred from the things actually done, and when in this case by concerted action the names of wholesalers who were reported as having made sales to consumers were periodically reported to the other members of the associations, the conspiracy to accomplish that which was the natural consequence of such action may be readily inferred.

In other words, the trade of the wholesaler with strangers was directly affected, not because of any supposed wrong which he had done to them, but because of the grievance of a member of one of the associations, who had reported a wrong to himself, which grievance when brought to the attention of others it was hoped would deter them from dealing with the offending party.

A retailer has the unquestioned right to stop dealing with a wholesaler for reasons sufficient to himself, and may do so because he thinks such dealer is acting unfairly in trying to undermine his trade. But, as was said by Justice Lurton, speaking for the court in Grenada Lumber Co. *v.* Mississippi:

> When the plaintiffs in error combine and agree that no one of them will trade with any producer or wholesaler who shall sell to a consumer within the trade range of any one of them, quite another case is presented. An act harmless when

> done by one may become a public wrong when done by many acting in concert, for it then takes on the form of a conspiracy, and may be prohibited or punished if the result be hurtful to the public or to the individual against whom the concerted action is directed.

The gravamen of the offense in the case from which the above statements are quoted consisted of a scheme under which members of a retail lumber dealers association reported to the secretary of that association sales by wholesalers in what was regarded as territory of the retailers. The secretary, in turn, made up and distributed to the members of the retailers' association a list of the names of such wholesalers, with the purpose of compelling the retailers to refrain from dealing with such wholesalers, and while it was not shown that there was any agreement among the retailers to adhere to any such policy, the evidence indicated that as a result of the circulation by the secretary of such lists the retailers generally refrained from dealing with the wholesalers so listed. This shows why so-called "black lists" are illegal.

The Change of Attitude Towards "Big Business"

While up to date the courts have laid down no hard-and-fast rules by which one may decide with infallibility whether a given course of procedure is legitimate, yet there are decisions which state positively that certain things may not be done, and others which point the way to transacting business safely in co-operation with competitors. That there has been a change of viewpoint among the judges and the rulers of the land as to "big business" can be conceded.

The possession of a bank account no longer causes its owner to be looked at with suspicion; we do not hear quite so much about malefactors of great wealth; unrestricted, wide-open, cutthroat competition is no longer considered to be the life of trade; the spirit of co-operation is beginning to be en-

couraged and the right of invested capital to secure a fair return is commencing to be recognized.

From the decisions of the court and the opinions and rulings of the Department of Justice we are enabled, moreover, to know with reasonable certainty that the business man may do certain things without endangering his purse or his liberty. But there are many things he may not do; and it is a safe rule, therefore, if a man is in doubt about any proposed scheme, to decline to participate or enter into it until he has been advised by someone who has made a special study of such decisions and rulings as would cover the scheme he is considering.

Of course, having acted under advice of counsel does not excuse a violation; but it is a mitigating circumstance, and since counsel would not care to be held responsible for poor advice, he is apt to err on the safe side in order to preserve himself as well as his client from a possible sojourn in a "warmer clime."

Application of the Law

There has been a decided change in the attitude of the Department of Justice toward business with regard to the application of this law, and as a result there is a slowly growing feeling of security. Fortunately, business is overcoming its original fear regarding this law and no longer considers it a legal cudgel.

Some of the things which under the Sherman Law an association may not do are as follows:

1. Association members may not agree among themselves, either orally or in writing, directly or indirectly, to have a common, fixed, and unalterable price.
2. Association members may not agree to limit their output or allot territory in which to confine their sales or distribute business.

These restrictions, however, are all qualified by the "rule of reason." If a course of conduct has no appreciable effect on competition, if its effects are remote and indirect and if the ordinary channels of trade are not clogged or obstructed, then such conduct is deemed by the courts unobjectionable. If the chief purpose and dominant effect of the action of a trade association are to foster and develop business without unduly restraining trade, the association is legally safe.

Some of the things which under the Sherman Law an association may do are as follows:

1. Its members may agree upon, adopt and use trade customs relating to weights, qualities, standards, etc.
2. It may gather, compile, and disseminate statistics as to the trade, and the supply and cost of raw materials, including total amounts sold and prices at which sold.
3. It may investigate and adjust unfair business methods of wholesalers, jobbers, or customers, as the case may be, and may adopt a uniform cost system.

The members of an association should be very careful to avoid dealing with the question of controlling the price to be paid by the members of the association for their raw materials; or the price at which the members are to sell their product; or the quantity of such product to be produced by the members; or the customers to whom they are to sell. The law will not permit any agreement, expressed or implied, as to the quantity of any material to be purchased, in the aggregate or by any individual, or as to the price to be paid therefor; nor will it permit any agreement, expressed or implied, as to the quantity of any product to be produced in the aggregate or by any individual, or as to the price to be charged therefor; nor will the law permit any agreement, expressed or implied, having for its purpose, directly or indirectly, to limit the territory in

which any person is to sell or to buy, or limiting anyone as to those from whom he will purchase or to whom he will sell. Therefore, in the conduct of the affairs of the association the members should avoid any intercourse from which the deduction would be drawn that there had been any agreement, expressed or implied, in any of the above respects.

The Clayton Anti-Trust Act

The Clayton Anti-Trust Act and the Federal Trade Commission Act throw no new light upon the meaning or interpretation of the Sherman Law. The Clayton Act makes it unlawful to discriminate directly or indirectly in prices between different purchasers, when the effect of such discrimination will substantially lessen competition or tend to create a monopoly; but it expressly permits a discrimination if made in good faith for the purpose of meeting competition. The act also provides that a manufacturer may select his own customers, if he does so for proper purposes; but it forbids the selling to the customer upon an agreement that he will purchase from no competitor, provided such an agreement substantially lessens competition and tends to grant a monopoly.

Federal Trade Commission Bill

The Federal Trade Commission Bill declares that unfair methods which substantially lessen competition are unlawful. It is not known exactly what the court's interpretation will be of the phrase "substantially lessen competition," or of "unfair methods of competition"; but it is assumed that a trade association that proceeds in a straightforward, honest manner, with all activities fully known and disclosed, should expect nothing but the hearty support of and assistance from the Federal Trade Commission and from the departments of Commerce and Justice.

The Federal Trade Commission Act can be of great value

to the honest and substantial prosperity of this country, provided those who are in charge of the activity of the commission do not assume the attitude of a quasi-judicial body or a detective bureau, but endeavor, rather, at all times to take a broad, constructive view of the big business problems of the nation. While investigating and complaining against business may make interesting news items and possibly contribute to the reputation of certain men for their own personal aggrandizement, yet in time it so disgusts the people engaged in the business under fire that they either turn to other products or give up business entirely. Then there is a shortage in the product manufactured, and the public suffers in the end. Consequently it is to be hoped that the commission will look more to building up a strong trade and commercial nation than to their personal reputations as investigators and assumed reformers.

Observing Speed Laws

The existence of laws prohibiting people from doing certain things is no reason for anyone hesitating to organize a trade association. There is no law or reason in existence to prohibit any individual or group of individuals from doing that which is legally and economically proper. Anyone who stays out of an association because of his fear of existing laws must either be a coward or possess a guilty conscience. There is such a thing as being so virtuous as to appear immoral.

It is about as logical to refuse to organize or join an association because certain laws exist which prohibit one from doing that which is wrong, as it is to refuse to ride in an automobile because certain people exceed the speed limits. No one gets into an automobile for the purpose of running down a man and killing him, and no one joins an association for the purpose of fixing prices and producing conditions which are illegal. But because somebody irrationally has

broken the speed laws and has met with an accident, or has killed someone, is not judged by the average man as sufficient reason for never riding in an automobile. Similarly, if a man joins the right association in the right spirit he has no more to fear as a member of the association than he has as a non-member. And very often people are looked upon with suspicion who are not members of an association which is representative of the industry of which they are a part. The question is often asked: "Why are they not members? The members of the association do things in the right way. Are these people out of it because they do not want to do things in the right way, or because they are not considered the proper sort by the other manufacturers in the industry and so cannot be elected to the association?"

No One Suffers by Joining the Right Kind of an Association

No man ever came to grief from joining the best kind of a trade association, which was conducted in the proper way. It is for him to determine beforehand whether the association is all right and if it is then to join and give it his hearty support. If the association is not conducted in the proper manner, then the sooner it is put out of business the better. But no association that is trying to do the proper thing should be impeded in its progress by the refusal of a number of people to join, with the mere lame excuse that there are at present laws in existence, or even people interpreting these laws, that might at some time cast reflections on the men in the association. Let men be men and do what is legally sound. Then if some government official claims that they are not doing right, let them like men stand up and defend their rights as independent American citizens; let them not be bluffed into submitting to any regulations or arrangements by which they either directly or by inference admit that they are guilty of something which they have not done.

But there is one characteristic of human nature which must be considered. Just as a number of men who are in an automobile and are anxious to get somewhere are very often liable to step on the accelerator and go beyond the speed laws, especially if they think there is no one looking, so a group of men in, or forming, an association, when they want to get somewhere quickly, have always the possible temptation to step on the accelerator and break the state or federal laws, if they think they will not be caught. That is what the association must watch. If a secretary is the right kind of a secretary he will see to it—just the same as a reliable chauffeur will see to it, even if it means the loss of his job—that the laws are not broken in trying to attain speed.

Exchange of Prices

The exchange of prices among the members of an association, as described in the previous chapter, is not illegal provided such an exchange is not accompanied by any agreement or arrangement for fixing prices. But lest some members be unduly influenced in the future in determining their prices, the courts have concluded that groups of individuals should discuss only prices which have been made, i.e., past prices.

In the case of the "Gary dinners," there is a danger that whenever an individual expresses what he intends to do in the future as regards his prices, somebody may, with the weakness of human nature, say that he would like to do the same thing; and the first thing that one knows an arrangement has been made or a meeting of minds has occurred at least by inference which does affect future prices. So the courts have decided that an association must be very careful to see that prices which have been quoted and have been made public are the only ones which are in any way taken into consideration. A past price is a past price of course, whether it is an hour old or a century old, and yet it is better that a price shall have

attained at least some fair degree of maturity before it becomes a matter for association information.

Exchange of Prices Just as Legal as the Stock Market

It is, however, no more wrong for persons in an industry to keep each other informed as to what they have quoted than it is for anyone to publish in the newspapers the prices which he is charging for his commodities. We see such prices quoted in advertisements or in stock quotations, or in other kinds of market reports. If a man were to be prohibited from telling another man what he is charging for his product, we should immediately have to stop labeling goods and all other commodities in stores where, perhaps, a competitor might see what was being asked of the public for any particular article.

What the Association Legally Can and Should Do

In order that an association may really serve the purpose for which it is organized, there are certain things which it can and should do. These things may be briefly stated thus:

1. It should stabilize the market through an interchange of market information, costs, sales, etc., as set forth in Chapter XVIII.
2. It should strictly supervise its members in order that they may not overstep the legal limit, or be guilty of any defection from the aims and ideals of the association.

Stabilizing the Market

The exchange of market information is not made as a matter of curiosity or history, but is done because of the efficacious result on the future market. There is no denying that. If such a statement is questioned, let it be asked, as stated in the previous chapter, which is better for all concerned —the manufacturer, merchant, and ultimate consumer—to

have a fluctuating and changing market all the while, or to have a market that is continuously stable, reasonable, and fair? Stable prices benefit the ultimate consumer most of all.

An inquiry shows that where in industries by a legal, intelligent, and sound interchange of price information stable market conditions have been produced, the distributers or ultimate purchasers of such a product of an industry are much better satisfied. They have become convinced that the intelligent interchange of price information among the members of an association is far better than rumor and misinformation, which produce chaos and an unstable, unsatisfactory market.

The Part of Costs in Fixing Prices

The interchange of past price information does not necessarily mean that a man receiving it is compelled to do anything that he does not want to do. He may reduce his prices in a readjustment just as often as he may increase them. The information no more need affect his prices than it does his costs; but it merely gives him the facts which he should have in order to see whether or not he is marketing his product in the right way. It may make him investigate his costs more carefully and thereby discover that by charging too little he is losing money, or by charging too much, he is losing business.

As mills are located in different places and have different physical conditions with which to contend, so their costs differ and consequently their prices do and should differ. That is exactly one of the reasons why it is so absurd to establish and fix the same prices for all manufacturers.

Legal Supervision

It has been stated already in this chapter that one of the dangers of an association is that in the enthusiasm to produce results members will sometimes unconsciously do things which legally are questionable. Therefore, every association should

retain as its counsel one of the best lawyers it can find, someone who is thoroughly familiar with antitrust legislation and all federal and state laws under which that particular association must operate. It is much better to pay a retaining fee and have an association's activities supervised and kept within legal limits, than it is to take a chance and possibly have to undergo heavy fines and dissolution.

The Secretary Should Not be the Legal Adviser

The secretary, even if he is a lawyer, should not undertake this work. He must at all times be on cordial and co-operative terms with the members. If for good and sufficient reasons some member either wilfully or inadvertently does something which jeopardizes not only his interest but that of the entire association, the secretary cannot very well reprimand the member, because by so doing the member may take offense and in taking offense refuse to report, or to co-operate with the secretary at all, since he may hold it as a personal matter between himself and the secretary. This may seem a far-fetched point, but it has proved true in so many instances as to make it a fact.

Counsel Should be the Only Legal Supervisor

The counsel for the association, however, treats everything and everybody in an impersonal way, and if one or more individuals do anything which is wrong he can tell them so in no uncertain terms. It is understood that they have to take it from him in good grace; and they always do.

The counsel, besides, is a man who by experience and daily contact can keep in touch with all new laws and such matters, relative to association activities, which it is practically impossible for the secretary with his many other duties to do. And then, too, having the counsel at hand gives the members confidence. Even if he does not have anything definite to do, the

members feel that there is someone watching out for their legal destinies and they are much more willing to join and to co-operate unhesitatingly. An association should no more proceed without legal advice than would a large corporation.

Dangerous Correspondence

There is another thing in relation to prices which both the counsel and the secretary must watch carefully, and that is the tendency on the part of members to correspond with each other about subjects concerning which, for their own good and that of the association, they should not write. This very often is a difficult thing to supervise; but the members should be constantly reminded of the risk of such correspondence, and have the matter so clearly presented to them by counsel that they will think twice before they ever do anything or write anything which might for any reason be questioned. The trouble with letters between members is not so much really the effect of the letters in themselves, but if for some reason or other the association at any time should be under investigation, it is an easy matter for a district attorney to go to the files of a member and take out a letter which, read by itself, might have a damaging effect.

A recent interesting case which has come before the public is that of the Hardwood Lumber Manufacturers Association, whose activities have been placed under a permanent federal injunction. It was not that all of the activities of the association were questioned by the Department of Justice, but that certain activities were illegal—and the good had to suffer with the bad. It is to be regretted that the judge, in granting the permanent injunction, did not differentiate between the legal and the illegal activities of this association. The illegal activities were the result of an overzealous secretary. In this case he was a man who was selected as a business man from the industry, and who apparently did not know the correct prin-

ciples and practices, and the legal limits of trade association activities. This is only one of many instances that show how essential it is for a trade association to have an experienced secretary who knows his business and a counsel who gives the association careful legal supervision. In this instance the secretary was most indiscreet in his letters to the members, advising them what to do in regard to their prices, and getting the members to write him letters that showed how his activities and those of the association had enabled them to increase their profits to a very large extent.

On complaint of the Department of Justice against certain practices the courts made a statement which it is hoped will act as a guide-post to all secretaries and associations who thoughtlessly or wilfully attempt to do what is illegal. The judge, in presenting his opinion, expressed himself as follows:

> Competition and co-operation by and with those engaged in the same business is not necessarily inconsistent; successful business will likely result from the combination of the two, but too much of either may lead to disaster. Competition without co-operation means destructive competition, whereas co-operation without competition means the destruction of competition—price-fixing.

The Association a Clearing House

Members should never interchange statistics among themselves, when there is no one present to supervise this work and to see that they do not go beyond the legal limit. The association, while careful to keep its own records clean, should not allow its members to traffic in illegalities. Interchange of reports among members may prompt some to correspond, and a member who is ignorant of the law may set down something in all innocence which might very well be misinterpreted, or which might even be unlawful. Letters and telegrams may not amount to anything themselves, but they always make a great deal of trouble and prolong investigation and possible litigation.

When it comes to the tendency of any members to correspond among themselves or to talk things over among themselves outside of association activities, it is just as well for the counsel at all times to see that the fear of God and of the law is in their hearts so that they may not consciously or unconsciously do anything which is in the least questionable.

A man should not act simply because of legal compulsion, but he should do the right thing because he sees that it is economically best and is therefore what he most wishes to do. The folly of agreements and curtailing arrangements among individuals should so appeal to him that his innate business sense will tell him that they are the things that ought not to be done. And it may be put down as a rule that those things that ought not to be done from a legal standpoint are what ought not to be done from an economic standpoint.

It is the duty of the secretary and the counsel constantly to be teaching this to the members and never to let up in their vigilance over the activities not only of the association but of the members individually and collectively. Just as a man is never too old to transgress individually, so no association is so tried and true but that it needs careful watching to see that at all times its activities are well within legal limits. Most associations start out with a set of by-laws, rules of procedure, and intentions which are the best possible, but as time goes on their activities increase and they keep letting out a little more and a little more until finally they are over the danger line or to the legal limit. It is then that the counsel ought to make them get back and stay well behind the line rather than go over it and get into dangerous territory.

Conclusion

After reading these last two chapters about the legal aspects of trade association activities one might feel like Mrs. Partington's Willie, who said he had read so many "don'ts"

that all he could do was just sit and do nothing. It is not so bad as all that. The legal question has been gone into thoroughly here so that there may be no misunderstanding. If an association has an able counsel and the right kind of a secretary the members do not have to concern themselves about getting into trouble; they need not worry about any of these legal interpretations or court decisions; they will be steered straight and need not feel that they are engaging in any practices within the activities of their association which in the remotest way are related to anything questionable. The very existence of, and membership in a trade association give the individual protection against imputation; this is the safe and sane way for him.

The existence of trade associations in almost every branch of industry is the strongest possible evidence of the necessity for such organization. Our leading statesmen and public officials, some senators and representatives, and some members of the Federal Trade Commission, have publicly advocated the necessity for trade associations. There is no legislation, either federal or state, that denounces trade associations. The term "trade association" is to be understood as meaning "an association for lawful purposes." The average man knows what is right and what is wrong, and if when contemplating any proposed action he will put to his conscience the inquiry, "Is this right?" he will have little chance for error in the reply that is given. When men have violated the law they usually knew that they were doing so, and when they say that they did not they are trying to fool themselves. And so, as an economic and legal necessity, these many trade associations have come into existence, increasing and developing year by year, and have become a growing influence in our industrial and national progress toward fairer and more honest products, and toward service and justice for all.

APPENDIX A

BIBLIOGRAPHY

This bibliography is not a complete list of all books on this subject, nor of what may be the best books, but merely a list of the books read and studied by the author in preparation of this work. The author's personal comments are given only as brief suggestions to anyone wishing to consult these books.

General

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APPENDIX B

LEGAL CASES AFFECTING TRADE ASSOCIATIONS

These are the more important cases with which every secretary of a trade association should be familiar.

THE STANDARD OIL COMPANY OF NEW JERSEY ET AL. V. UNITED STATES, 221 U. S. 1.

Appeal from the Circuit Court of the United States for the Eastern District of Missouri

Argued March 14, 15, 16, 1910; restored to docket for reargument April 11, 1910; reargued January 12, 13, 16, 17, 1911. Decided May 15, 1911.

The Anti-Trust Act of July 2, 1890, c. 647, 26 Stat. 209, should be construed in the light of reason; and, as so construed, it prohibits all contracts and combinations which amount to an unreasonable or undue restraint of trade in interstate commerce.

The combination of the defendants in this case is an unreasonable and undue restraint of trade in petroleum and its products moving in interstate commerce, and falls within the prohibitions of the act as so construed.

Where one of the defendants in a suit, brought by the government in a circuit court of the United States under the authority of Section 4 of the Anti-Trust Act of July 2, 1890, is within the district, the court, under the authority of section 5 of that act, can take jurisdiction and order notice to be served upon the non-resident defendants.

Allegations as to facts occurring prior to the passage of the Anti-Trust Act may be considered solely to throw light on acts done after the passage of the act.

The debates in Congress on the Anti-Trust Act of 1890 show that one of the influences leading to the enactment of the statute was doubt as to whether there is a common law of the United States governing the making of contracts in restraint of trade and the creation and maintenance of monopolies in the absence of legislation.

While debates of the body enacting it may not be used as means for interpreting a statute, they may be resorted to as a means of ascertaining the conditions under which it was enacted.

The terms "restraint of trade" and "attempts to monopolize," as used in the Anti-Trust Act, took their origin in the common law and were familiar in the law of this country prior to and at the time of the adoption of the act, and their meaning should be sought from the conceptions of both English and American law prior to the passage of the act.

The original doctrine that all contracts in restraint of trade were illegal was long since so modified in the interest of freedom of individuals to contract that the contract was valid if the resulting restraint was only partial in its operation and was otherwise reasonable.

The early struggle in England against the power to create monopolies resulted in establishing that those institutions were incompatible with the English Constitution.

At common law monopolies were unlawful because of their restriction upon individual freedom of contract and their injury to the public and at common law; and contracts creating the same evils were brought within the prohibition as impeding the due course of, or being in restraint of, trade.

At the time of the passage of the Anti-Trust Act the English rule was that the individual was free to contract and to abstain from contracting and to exercise every reasonable right in regard thereto, except only as he was restricted from voluntarily and unreasonably or for wrongful purposes, restraining his right to carry on his trade. Mogul Steamship Co. *v.* McGregor, 1892, A. C. 25.

A decision of the House of Lords, although announced after an event, may serve reflexly to show the state of the law in England at the time of such event.

This country has followed the line of development of the law of England, and the public policy has been to prohibit, or treat as illegal, contracts, or acts entered into with intent to wrong the public and which unreasonably restrict competitive conditions, limit the right of individuals, restrain the free flow of commerce, or bring about public evils such as the enhancement of prices.

The Anti-Trust Act of 1890 was enacted in the light of the then existing practical conception of the law against restraint of trade, and the intent of Congress was not to restrain the right to make

and enforce contracts, whether resulting from combinations or otherwise, which do not unduly restrain interstate or foreign commerce, but to protect that commerce from contracts or combinations by methods, whether old or new, which would constitute an interference with, or an undue restraint upon it.

The Anti-Trust Act contemplated and required a standard of interpretation, and it was intended that the standard of reason which had been applied at the common law should be applied in determining whether particular acts were within its prohibitions.

The word "person" in Section 2 of the Anti-Trust Act, as construed by reference to Section 8 thereof, implies a corporation as well as an individual.

The commerce referred to by the words "any part" in Section 2 of the Anti-Trust Act, as construed in the light of the manifest purpose of that act, includes geographically any part of the United States and also any of the classes of things forming a part of interstate or foreign commerce.

The words "to monopolize" and "monopolize" as used in Section 2 of the Anti-Trust Act reach every act bringing about the prohibited result.

Freedom to contract is the essence of freedom from undue restraint on the right to contract.

In prior cases, where general language has been used to the effect that reason could not be resorted to in determining whether a particular case was within the prohibitions of the Anti-Trust Act, the unreasonableness of the acts under consideration was pointed out and those cases are only authoritative by the certitude that the rule of reason was applied; United States *v.* Trans-Missouri Freight Association, 166 U. S. 290, and United States *v.* Joint Traffic Association, 171 U. S. 505, limited and qualified so far as they conflict with the construction now given to the Anti-Trust Act of 1890.

The application of the Anti-Trust Act to combinations involving the production of commodities within the state does not so extend the power of Congress to subjects dehors its authority as to render the statute unconstitutional. United States *v.* E. C. Knight Co., 156 U. S. 1, distinguished.

The Anti-Trust Act generically enumerates the character of the acts prohibited and the wrongs which it intends to prevent and is susceptible of being enforced without any judicial exertion of legislative power.

The unification of power and control over a commodity such as petroleum and its products, by combining in one corporation the stocks of many other corporations aggregating a vast capital, gives rise, of itself, to the prima facie presumption of an intent and purpose to dominate the industry connected with, and gain perpetual control of the movement of, that commodity and its products in the channels of interstate commerce in violation of the Anti-Trust Act of 1890, and that presumption is made conclusive by proof of specific acts such as those in the record of this case.

The fact that a combination over the products of a commodity such as petroleum does not include the crude article itself does not take the combination outside of the Anti-Trust Act when it appears that the monopolization of the manufactured products necessarily controls the crude article.

Penalties which are not authorized by the law cannot be inflicted by judicial authority.

The remedy to be administered in case of a combination violating the Anti-Trust Act is twofold: first, to forbid the continuance of the prohibited act, and second, to so dissolve the combination as to neutralize the force of the unlawful power.

The constituents of an unlawful combination under the Anti-Trust Act should not be deprived of power to make normal and lawful contracts, but should be restrained from continuing or recreating the unlawful combination by any means whatever; and a dissolution of the offending combination should not deprive the constituents of the right to live under the law, but should compel them to obey it.

In determining the remedy against an unlawful combination, the court must consider the result and not inflict serious injury on the public by causing a cessation of interstate commerce in a necessary commodity.

173 Fed. Rep. 177, modified and affirmed.

Grenada Lumber Company v. State of Mississippi, 217 U. S. 433.

Error to the Supreme Court of the State of Mississippi.
No. 493. Submitted January 10, 1910. Decided May 2, 1910.

This court accepts the construction of the state court; and where that court has held that an agreement between retailers not to pur-

chase from wholesale dealers who sell direct to consumers within prescribed localities amounts to a restraint of trade within the meaning of the antitrust statute of the state, the only question for this court is whether such statute so unreasonably abridges freedom of contract as to amount to deprivation of property without due process of law within the meaning of the Fourteenth Amendment.

An act harmless when done by one may become a public wrong when done by many acting in concert, and when it becomes the object of a conspiracy and operates in restraint of trade the police power of the state may prohibit it without impairing the liberty of contract protected by the Fourteenth Amendment, and so held that while an individual may not be interfered with in regard to a fixed trade rule not to purchase from competitors, a state may prohibit more than one from entering into an agreement not to purchase from certain described persons even though such persons be competitors and the agreement be made to enable the parties thereto to continue their business as independents.

Whether a combination is or is not illegal at common law is immaterial if it is illegal under a state statute which does not infringe the Fourteenth Amendment.

A combination that is actually in restraint of trade under a statute which is constitutional, is illegal whatever may be the motive or necessity inducing it.

In determining the validity of a state statute, this court is concerned only with its constitutionality; it does not consider any question of its expediency.

In determining the constitutionality of a state statute this court considers only so much thereof as is assailed, construed and applied in the particular case.

One not within a class affected by a statute cannot attack its constitutionality.

Where the penalty provisions of a statute are clearly separable, as in this case, and are not invoked, this court is not called upon to determine whether the penalties are so excessive as to amount to deprivation of property without due process of law and thus render the statute unconstitutional in that respect.

In this case, in an action by the state in equity and not to enforce penalties, held that the antitrust statute of Mississippi, Section 5002, Code, is not unconstitutional as abridging the liberty of contract as against retail lumber dealers uniting in an agreement, which the

state court decided was within the prohibition of the statute, not to purchase any materials from wholesale dealers selling direct to consumers in certain localities.

UNITED STATES OF AMERICA v. AMERICAN TOBACCO COMPANY AMERICAN TOBACCO COMPANY v. UNITED STATES OF AMERICA 221 U. S. 106.

Appeals from the Circuit Court of the United States for the Southern District of New York.

Nos. 118, 119. Argued January 3, 4, 5, 6, 1910; restored to docket for reargument April 11, 1910; reargued January 9, 10, 11, 12, 1911. Decided May 29, 1911.

Standard Oil Co. *v.* United States, ante, p. 1, followed and reaffirmed as to the construction to be given to the Anti-Trust Act of July 2, 1890, c. 647, 26 Stat. 209; and held that the combination in this case is one in restraint of trade and an attempt to monopolize the business of tobacco in interstate commerce within the prohibition of the act.

In order to meet such a situation as is presented by the record in this case and to afford the relief for the evils to be overcome, the Anti-Trust Act of 1890 must be given a more comprehensive application than affixed to it in any previous decision.

In Standard Oil Co. *v.* United States, ante, p. 1, the words "restraint of trade" as used in Section 1 of the Anti-Trust Act were properly construed by the resort to reason; the doctrine stated in that case was in accord with all previous decisions of this court, despite the contrary view at times erroneously attributed to the expressions in United States *v.* Trans-Missouri Freight Association, 166 U. S. 290, and United States *v.* Joint Traffic Association, 171 U. S. 505.

The Anti-Trust Act must have a reasonable construction as there can scarcely be any agreement or contract among business men that does not directly or indirectly affect and possibly restrain commerce. United States *v.* Joint Traffic Association, 171 U. S. 505, 568.

The words "restraint of trade" at common law, and in the law of this country at the time of the adoption of the Anti-Trust Act, only embraced acts, contracts, agreements, or combinations which operated to the prejudice of the public interests by unduly restricting com-

petition or by unduly obstructing due course of trade, and Congress intended that those words as used in that act should have a like significance; and the ruling in Standard Oil Co. *v.* United States, ante, p. 1, to this effect is re-expressed and reaffirmed.

The public policy manifested by the Anti-Trust Act is expressed in such general language that it embraces every conceivable act which can possibly come within the spirit of its prohibitions, and that policy cannot be frustrated by resort to disguise or subterfuge of any kind.

The record in this case discloses a combination on the part of the defendants with the purpose of acquiring dominion and control of interstate commerce in tobacco by methods and manners clearly within the prohibition of the Anti-Trust Act: and the subject matters of the combination and the combination itself are not excluded from the scope of the act as being matters of intrastate commerce and subject to state control.

In this case the combination in all its aspects both as to stock ownership, and as to the corporations independently, including foreign corporations to the extent that they became co-operators in the combination, come within the prohibition of the first and second sections of the Anti-Trust Act.

In giving relief against an unlawful combination under the Anti-Trust Act the court should give complete and efficacious effect to the prohibitions of the statute; accomplish this result with as little injury as possible to the interest of the general public; and have a proper regard for the vested property interests innocently acquired.

In this case the combination in and of itself, and also all of its constituent elements, are decreed to be illegal, and the court below is directed to hear the parties and ascertain and determine a plan or method of dissolution and of recreating a condition in harmony with law, to be carried out within a reasonable period (in this case not to exceed eight months), and, if necessary, to effectuate this result either by injunction or receivership.

Pending the achievement of the result decreed all parties to the combination in this case should be restrained and enjoined from enlarging the power of the continuation by any means or device whatever.

Where a case is remanded, as this one is, to the lower court with directions to grant the relief in a different manner from that decreed by it, the proper course is not to modify and affirm, but to reverse and remand, with directions to enter a decree in conformity with the

opinion and to carry out the directions of this court with costs to defendants.

164 Fed. Rep. 700, reversed and remanded with directions.

EASTERN STATES RETAIL LUMBER DEALERS ASSOCIATION v. UNITED STATES

McBRIDE, INDIVIDUALLY AND AS PRESIDENT OF THE RETAIL LUMBERMEN'S ASSOCIATION OF PHILADELPHIA v. UNITED STATES

234 U. S. 600.

Appeals from the District Court of the United States for the Southern District of New York.

Nos. 511, 550. Argued October 24, 27, 1913. Decided June 22, 1914.

Conspiracies are seldom capable of proof by direct testimony and a conspiracy to accomplish that which is their natural consequence may be inferred from the things actually done.

The Sherman Law, as construed by this court in the Standard Oil Case, while not reaching normal and usual contracts incident to lawful purposes and in furtherance of legitimate trade, does broadly condemn all combinations and conspiracies which restrain the free and natural flow of trade in the channels of interstate commerce.

Held in this case that the circulation of a so-called official report among members of an association of retail dealers calling attention to actions of listed wholesale dealers in selling direct to consumers, tended to prevent members of the association from dealing with the listed dealers referred to in the report, and to directly and unreasonably restrain trade by preventing it with such listed dealers, and was within the prohibitions of the Sherman Law.

While a retail dealer may unquestionably stop dealing with a wholesaler for any reason sufficient to himself, he and other dealers may not combine and agree that none of them will deal with such wholesaler without, in case interstate commerce is involved, violating the Sherman Law.

An act, harmless when done by one person, may become a public wrong when done by many acting in concert in pursuance of a conspiracy. Grenada Lumber Co. *v.* Mississippi, 217 U. S. 433.

201 Fed. Rep. 581, affirmed.

NASH v. UNITED STATES, 229 U. S. 373.

Certiorari to the Circuit Court of Appeals for the Fifth Circuit.

No. 197. Argued March 18, 19, 1913. Decided June 9, 1913.

In many instances a man's fate depends upon his rightly estimating, that is, as the jury subsequently estimates it, some matter of degree, and there is no constitutional difficulty in the way of enforcing the criminal provisions of the Sherman Anti-Trust Act on the ground of uncertainty as to the prohibitions.

The Sherman Act punishes the conspiracies at which it is aimed on the common law footing and does not make the doing of any act other than the act of conspiring a condition of liability. In this respect it differs from Section 5440 and the indictment need not aver overt acts in furtherance of the conspiracy. Brown *v.* Elliott, 225 U. S. 392, distinguished.

This court can see no reason for reading into the Sherman Act more than it finds there.

It is not necessary for an indictment under the Sherman Act to allege or prove that all the conspirators proceeded against are traders. Loewe v. Lawlor, 208 U. S. 274.

Where the indictment under the Sherman Act alleges numerous methods employed by the defendants to accomplish the purpose to restrain trade, it is not necessary, in order to convict, to prove every means alleged but it is error to charge that a verdict may be permitted on any one of them when some of them would not warrant a finding of conspiracy.

186 Fed. Rep. 489, reversed.

LOEWE v. LAWLOR, 208 U. S. 274.

Certiorari to the Circuit Court of Appeals for the Second Circuit.

No. 389. Argued December 4, 5, 1907. Decided February 3, 1908.

After the Circuit Court of Appeals has certified questions to this court and this court has issued its writ of certiorari requiring the whole record to be sent up, it devolves upon this court, under Section 6 of the Judiciary Act of 1891, to decide the whole matter in con-

troversy in the same manner as if it had been brought here for review by writ of error or appeal.

The Anti-Trust Act of July 2, 1890, 26 Stat. 209, has a broader application than the prohibition of restraints of trade unlawful at common law. It prohibits any combination which essentially obstructs the free flow of commerce between the states, or restricts, in that regard, the liberty of a trader to engage in business; and this includes restraints of trade aimed at compelling third parties and strangers involuntarily not to engage in the course of interstate trade except on conditions that the combination imposes.

A combination may be in restraint of interstate trade and within the meaning of the Anti-Trust Act although the persons exercising the restraint may not themselves be engaged in interstate trade, and some of the means employed may be acts within a state and individually beyond the scope of federal authority, and operate to destroy intrastate trade as interstate trade, but the acts must be considered as a whole, and if the purposes are to prevent interstate transportation, the plan is open to condemnation under the Anti-Trust Act of July 2, 1890. Swift *v.* United States, 196 U. S. 375.

The Anti-Trust Act of July 2, 1890, makes no distinction between classes. Organizations of farmers and laborers were not exempted from its operation, notwithstanding the efforts which the records of Congress show were made in that direction.

A combination of labor organizations and the members thereof, to compel a manufacturer whose goods are almost entirely sold in other states, to unionize his shops and on his refusal so to do to boycott his goods and prevent their sale in states other than his own until such time as the resulting damage forces him to comply with their demands, is, under the conditions of this case, a combination in restraint of interstate trade or commerce within the meaning of the Anti-Trust Act of July 2, 1890, and the manufacturer may maintain an action for threefold damages under Section 7 of that act.

Gompers v. Bucks Stove and Range Company, 221 U. S. 418.

Certiorari to the Court of Appeals of the District of Columbia. No. 372. Argued January 27, 30, 1911. Decided May 15 ,1911.

An order of a court of equity, restraining defendants from boycotting complainant by publishing statements that complainant was

guilty of unfair trade, does not amount to an unconstitutional abridgement of free speech; the question of the validity of the order involves only the power of the court to enjoin the boycott.

Quaere as to what constitutes a boycott that may be enjoined by a court of equity; but, in order that it may be enjoined, it must appear that there is a conspiracy causing irreparable damage to complainant's business or property.

Where conditions exist that justify the enjoining of a boycott, the publication and use of letters, circulars, and printed matter, may constitute the means of unlawfully continuing the boycott and amount to a violation of the order of injunction.

The Anti-Trust Act of 1890 applies to any unlawful combination resulting in restraint of interstate commerce including boycotts and blacklisting whether made effective by acts, words, or printed matter. Loewe *v.* Lawlor, 208 U. S. 274.

The court's protective powers extend to every device whereby property is irreparably damaged or interstate commerce restrained; otherwise the Anti-Trust Act would be rendered impotent.

Society itself is an organization and does not object to organizations for social, religious, business, and all other legal purposes.

On appeal against unlawfully exercising power of organizations, it is the duty of government to protect the one against the many as well as the many against the one.

An agreement to act in concert on publication of a signal makes the words used as the signal amount to verbal acts, and when the facts justify it, the court having jurisdiction can enjoin the use of the words in such connection; and so held as to words "unfair" and "we don't patronize" as used in this case to continue a boycott.

Civil and criminal contempts are essentially different and are governed by different rules of procedure.

A proceeding, instituted by an aggrieved party to punish the other party for contempt for affirmatively violating an injunction in the same action in which the injunction order was issued, and praying for damages and costs, is a civil proceeding in contempt, and is part of the main action, and the court cannot punish the contempt by imprisonment for a definite term; the only punishment is by fine measured by the pecuniary injury sustained.

In criminal proceedings for contempt the party against whom the proceedings are instituted is entitled to the protection of the constitutional provisions against self-incrimination.

There is a substantial variance between the procedure adopted and punishment imposed, when a punitive sentence appropriate only to a proceeding for criminal contempt is imposed in a proceeding in an equity action for the remedial relief of an injured party.

Where the main suit in which an injunction order has been granted is settled and discontinued, every proceeding which is a part thereof, or dependent thereon, is also necessarily settled as between the parties; and so held as to a proceeding instituted by the party aggrieved against the other party for violation of an injunction.

The fact that the party aggrieved by the violation of an injunction deprives himself, by settling the main case, of the right to pursue the violator for contempt, does not prevent the court whose order was violated from instituting proceedings to vindicate its authority; and in this case the dismissal of the civil contempt proceeding is without prejudice to the power and right of the court whose injunction was violated to punish for contempt by proper proceedings.

33 App. D. C. 516, reversed.

UNITED STATES v. TRANS-MISSOURI FREIGHT ASSOCIATION, 166 U. S. 290.

Appeal from the Circuit Court of Appeals for the Eighth Circuit.

No. 67. Argued December 8, 9, 1896. Decided March 22, 1897.

The dissolution of the freight association does not prevent this court from taking cognizance of the appeal and deciding the case on its merits; as, where parties have entered into an illegal agreement and are acting under it, and there is no adequate remedy at law, and the jurisdiction of the court has attached by the filing of a bill to restrain such or like action under a similar agreement, and a trial has been had and judgment entered, the appellate jurisdiction of this court is not ousted by a simple dissolution of the association, effected subsequently to the entry of judgment in the suit.

While the statutory amount must as a matter of fact be in controversy, yet the fact that it is so need not appear in the bill, but may be shown to the satisfaction of the court.

The provisions respecting contracts, combinations and conspiracies in restraint of trade or commerce among the several states or with foreign countries, contained in the act of July 2, 1890, c. 647, "to

protect trade and commerce against unlawful restraints and monopolies," apply to and cover common carriers by railroad; and a contract between them in restraint of such trade or commerce is prohibited, even though the contract is entered into between competing railroads only for the purpose of thereby affecting traffic rates for the transportation of persons and property.

The act of February 4, 1887, c. 104, "to regulate commerce," is not inconsistent with the act of July 2, 1890, as it does not confer upon competing railroad companies power to enter into a contract in restraint of trade and commerce, like the one which forms the subject of this suit.

Debates in Congress are not appropriate sources of information from which to discover the meaning of the language of a statute passed by that body.

The prohibitory provisions of the said act of July 2, 1890, apply to all contracts in restraint of interstate or foreign trade or commerce without exception or limitation; and are not confined to those in which the restraint is unreasonable.

In order to maintain this suit the government is not obliged to show that the agreement in question was entered into for the purpose of restraining trade or commerce, if such restraint is its necessary effect.

This agreement, though legal when made, became illegal on the passage of the act of July 2, 1890, and acts done under it after that statute became operative were done in violation of it.

The fourth section of the act invests the government with full power and authority to bring such a suit as this; and, if the facts alleged are proved, an injunction should issue.

ANHEUSER BUSCH BREWING COMPANY v. HOUCK, ET AL., 27 SOUTHWESTERN 692 (COURT OF CIVIL APPEALS OF TEXAS).

In this case the plaintiff had agreed to sell its product to the defendants for one year and not to sell to any other person at the same place. Defendants thereafter entered into a combination with other dealers in the same product, which combination constituted a violation of the state antitrust law. The plaintiff refused to deliver its product to the defendants and sued for the price of goods already furnished under the contract.

Held, that where the buyer enters into an illegal combination with others involving the use of goods purchased from the seller, seller is justified in refusing to furnish further goods under the contract which would, in effect, further the illegal combination and such repudiation by the seller (plaintiff) is no defense to an action by the seller for the price of goods previously furnished.

United States v. Coal Dealers Association of California, et al., 85 Fed. 252 (Circuit Court, Northern District of California, 1898).

This was a case in equity and the report deals with the hearing on a motion to dissolve a restraining order which had been issued without notice pending a motion for a preliminary injunction. The motion for the preliminary injunction was heard at the same time and the preliminary injunction granted.

Held, that where an association of local coal dealers combines with importers and wholesale dealers in coal, whereby the price of the product to consumers is fixed with penalties for violation of the agreement to maintain the price, and the price to be charged by the wholesale dealers was fixed at a higher rate to non-members than to members of the association, the agreement containing provisions against sales by wholesalers to consumers at less than the price fixed for sales by retail dealers, such an agreement constitutes a combination and violation of the Sherman Act, as by the combination free competition is eliminated and this constitutes a combination in restraint of trade.

Ford v. Chicago Milk Shippers Association, 155 Ill. 166.

Held, plaintiff cannot recover for milk sold and delivered to the defendant where such milk had been sold by it in pursuance of an agreement and combination whereby the plaintiff and its stockholders combined to fix the price and the supply of milk to be sold in the city of Chicago, this combination being a violation of the state antitrust law.

Lowry v. Tile, Mantel and Grate Association, 98 Fed. 817.

This case arose on demurrer to the complaint and in overruling the demurrer it was—

Held, that a complaint alleging that members of an association have conspired and combined to raise the price of tiles, mantels and grates to control the output and to regulate prices of these commodities, with intent to monopolize the trade and commerce between other states and California in regard to such commodities as well as to arbitrarily fix their prices independent of their natural market price, brings the case within the Anti-Trust Act of July 2, 1890 (Sherman Act).

People v. Sheldon, 139 N. Y. 251.

Held, that where defendants enter into an organization agreement for the purpose of controlling the price and managing the business of the sale of coal so as to prevent competition in price between the members of the organization, such an agreement is illegal.

Held also, if such an intent is established and the price is raised in pursuance of the agreement, the crime of conspiracy is established.

Held also, that the overt act necessary to sustain a conviction for conspiracy need not be one which might injuriously affect the public.

Wheeler-Stenzel Company v. National Window Glass Jobbers Association, 152 Fed. 864 (3rd Circuit Court of Appeals, 1907).

Action for treble damages under the Sherman Act, on appeal from a judgment sustaining a demurrer to the declaration. The circuit court of appeals reversed the judgment of the district court and overruled the demurrer.

Held, that where a declaration alleges that certain named jobbers and wholesale dealers doing business in different states were up to a certain date uncombined and competed freely with each other and with other wholesale dealers, but that on such date such jobbers and wholesale dealers entered into an agreement with the defendant and with a manufacturer which owned and operated factories in different states, by which agreement defendants and such dealers agreed to

buy from no other manufacturer unless at materially lower prices and such manufacturer agreed to sell to no other dealer except at higher prices than it charged them, that such agreement further limited the quantity of window glass to be purchased and gave power to fix excessive and unreasonable charges to be charged retail dealers and provided for penalties for violation of the agreement to charge such prices, restricted and limited the territory within which such dealers should sell, such declaration charges a contract or combination in restraint of interstate commerce and a violation of the Anti-Trust Act.

Held further, such a contract is per se unlawful and not merely unenforcible, and one who is harmed in his business or property by such contract or combination has suffered a legal injury for which a right of action is given by Section 7.

Held also, if the declaration sufficiently charges a contract or combination in violation of the Sherman Act, general allegations showing that the result was to deprive plaintiff of customers and prevent it from making a profit in its legitimate business are sufficient to support such action.

Clabaugh v. Southern Wholesale Grocers Association, 181 Fed. 706 (Circuit Court, Northern District of Alabama, 1910).

Action for damages under the Sherman Act. Here the plaintiff had previously sued the president of the association who had settled the previous action and paid the plaintiff the amount agreed upon in settlement.

Held, such settlement was an accord and satisfaction of the entire claim and a bar to the second suit.

United States v. Eastern States Retail Lumber Dealers Association, 201 Fed. 581 (District Court, Southern District of New York).

Suit in equity under the Sherman Act in which a decree was entered for the complainant restraining certain activities of the defendant. Upon appeal to the Supreme Court the decree was affirmed. 234 U. S. 600. Here the association issued official reports containing lists of wholesale dealers doing an interstate business who

made sales direct to consumers. Such association endeavored to secure information concerning such sales by wholesalers and used its official reports for the purpose and effect of influencing members receiving such reports to cease buying from such wholesale dealers.

Held, words "restraint of trade" as used in the Sherman Act are to be construed as including "restraint of competition," and such activities of the combination were in restraint of competition and should be enjoined.

UNITED STATES v. SOUTHERN WHOLESALE GROCERS ASSOCIATION, 207 FED. 434.

This was a proceeding for criminal contempt against the defendants in violating a final decree entered by consent of the parties in a prior prosecution under the Sherman Act. By the decree the association was not dissolved but certain activities were enjoined, the decree expressly providing that the association, its officers and members were not restrained from maintaining the organization for social or other purposes than those therein prohibited. Held, that:

1. Mere maintenance of the association was not a violation to the decree.

2. A contract between many engaged in the same business to refrain from selling to an individual or class would be an illegal restraint of trade under the Sherman Act, whether the contract were express or implied or consisted of a mere combination or conspiracy to accomplish that end, or without any definite form of agreement.

3. Where an association of wholesale grocers required prospective members to promise not to sell direct to consumers, such a requirement was not illegal as it was merely a promise required to convince the association that there was a reasonable expectation on the part of the applicant that he would remain eligible for membership, as the membership was composed exclusively of wholesalers.

4. The prior decree enjoined the association, etc., from doing any act to hinder or prevent anyone from selling any commodity to any other person at any price agreed upon. That continuing to send certain lists to manufacturers constituted a violation of the decree, although no coercion was used to compel manufacturers not to sell to anyone whose name did not appear upon the list, since by continuing to send out such list the association utilized the influence over the manufacturers which its previous policy had gained for it.

5. Addressing legitimate argument to manufacturers, to procure abandonment of a certain policy or the continuance of another does not violate the Sherman Act.

6. Where an association, its directors, officers, etc., had been enjoined from using coercion or intimidation to prevent manufacturers from selling direct to retailers, and a director later makes use of the association's name and his position as director to prevent such direct sales by a manufacturer, lack of authority as director to take such action might exonerate the association but does not exonerate the director, and such activity constitutes a violation of the decree.

7. Writing of letters criticizing the government and the litigation instituted by it resulting in an injunction but not directly calculated to incite disobedience to the injunction is not a contempt.

APPENDIX C

TRADE ASSOCIATIONS IN THE UNITED STATES

The accompanying list of the trade associations in the United States is based upon (1) the list compiled and revised to November 1, 1919, by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, and (2) the membership list of the American Trade Association Executives, and (3) correspondences.

Additions and corrections have been made to the comprehensive list thus obtained to bring it, as near as possible, up to date. It is fair to state that this is the most complete list of trade associations yet compiled. That it is by any means perfect is not claimed, however, and if any additions, eliminations, or corrections should be made, the author would be pleased to be informed. In compiling this list only those trade associations which relate to the whole or part of a specific trade have been included. This excludes associations of employers, state manufacturers, associated industries, etc., which represent various trades and are not strictly trade associations any more than are commercial organizations.

In this list of trade associations there are many bad as well as good examples of names. The words "American" and "National" are overworked, and should be left alone in any future christening of a new association. If some word similar to these two must be used, "United States" has not been favored as much as it might.

It is interesting to note the various divisions of associations of some national products. It will be seen that the different grades in a product are gradually becoming more and more organized in their distinctive fields, but quite frequently as a

part of some large parent or centralized association. Nearly every great industry, in fact, maintains more than one trade association. Not infrequently there will be a general association that speaks for the industry as a whole, but within the industry the various divisions of product are represented by smaller or more concentrated associations.

For example, the American Paper and Pulp Association on general matters represents the paper and pulp industry, and yet that association has no control over the various associations which make up its membership, any more than these various associations have control over the individual activities of any of the manufacturers which make up their respective memberships. The American Paper and Pulp Association is composed of the following organizations:

American Paper and Pulp Mill Superintendents Association
Binders Board Manufacturers Association
Book Paper Manufacturers Association
Cardboard Manufacturers Association
Cost Association of the Paper Industry
Cover Paper Manufacturers Association
Glazed and Fancy Paper Manufacturers Association
Grocery Bag Manufacturers Service Bureau
Pulp Manufacturers Association
Salesmens Association of the Paper Industry
Technical Association of the Pulp and Paper Industry
Tissue Paper Manufacturers Association
Toilet Paper Converters Association
Waterproof Wrapping Paper Manufacturers Association
Waxed Paper Manufacturers Association
Wrapping Paper Manufacturers Service Bureau
Writing Paper Manufacturers Association

Another example of this same sort is the Music Industries Chamber of Commerce, which is composed of the following divisional members:

National Piano Manufacturers Association of America
National Association of Music Merchants

Organ Builders Association of America
National Music Roll Manufacturers Association
National Musical Merchandise Association of the United States
Musical Supply Association of America
Music Publishers Association of the United States
Band Instrument Manufacturers Association
National Association of Talking Machine Jobbers
National Piano Travelers Association
National Association of Piano Tuners

These two cases are sufficient to show that just as it is advantageous for individual manufacturers to get together in a divisional trade association of a large industry, so it is advantageous for the various divisional associations to unite in a large parent or general association, which can represent the industry in general matters, bring the weight of all the related interests to bear on issues of mutual interest and save duplication or conflict of effort.

The government list of trade associations, published by the Bureau of Foreign and Domestic Commerce, which is revised every three or four years, can be purchased for 15 cents a copy from the Superintendent of Documents, Government Printing Office, Washington, D. C.

There are three well-known associations of trade executives; the secretary's office is given with each:

American Trade Association Executives, Room 616, Flatiron Building, New York.
Trade Organization Secretaries in New York City, 450 4th Ave., New York.
Business Secretaries Forum, Room 1215, Monadnock Building, Chicago, Illinois.

The first of these three is the national association with a large membership of trade executives both in the United States and Canada. It meets once a year. The other two hold monthly meetings. The purpose of all three is mutual aid.

A

Abrasive Paper and Cloth Manufacturers Exchange, 17 Battery Pl., New York.
Agricultural Publishers Association, 76 W. Monroe St., Chicago, Ill.
Air Brake Association, 165 Broadway, New York.
Allied Wall-Paper Industry, 1328 Broadway, New York.
Amalgamated Lithographers of America, 309 Broadway, New York.
American Association of Baking Industries, 1405 Ashland Blk., Chicago, Ill.
American Association of the Baking Industry, 367 S. Boulevard, New York.
American Association of Creamery Butter Manufacturers, Chicago, Ill.
American Association of Flint and Lime Glass Manufacturers, Inc., 44 Conestoga Bldg., Pittsburgh, Pa.
American Association of Foreign Language Newspapers, 233 Broadway, New York.
American Association of Refrigeration, 431 S. Dearborn St., Chicago, Ill.
American Association of Wholesale Hatters, c/o The Callaway Bank, Fulton, Mo.
American Association of Wholesale Opticians, 1475 Broadway, New York.
American Association of Woolen and Worsted Manufacturers, 45 E. 17th St., New York.
American Automobile Association, Torrington, Conn.
American Bankers Association, 5 Nassau St., New York.
American Board of Scrap Iron Dealers, Philadelphia, Pa.
American Boiler Manufacturers Association, 191 Dikeman St., Brooklyn, N. Y.
American Booksellers Association, c/o Publishers' Weekly, 62 W. 45th St., New York.
American Cane Growers Exchange, New Orleans, La.
American Clothing Manufacturers Association, 752 Broadway, New York.
American Concrete Institute, 244 Madison Ave., New York.
American Concrete Pipe Association, Chicago, Ill.
American Corn Millers Federation, Chicago, Ill.
American Cotton Waste Exchange, 200 Summer St., Boston, Mass.

American Cranberry Growers Association, Toms River, N. J.
American Cutlery Industry, 15 Park Row, New York, N. Y.
American Drug Manufacturers Association, 1050 Penobscot Bldg., Detroit, Mich.
American Dyes Institute, 130 W. 42nd St., New York.
American Electric Railway Association, 8 W. 40th St., New York.
American Envelope Manufacturers Association, 120 Broadway, New York.
American Exporters and Importers Association, 17 Battery Pl., New York.
American Face Brick Association, 110 S. Dearborn St., Chicago, Ill.
American Feed Manufacturers Association, Milwaukee, Wis.
American Florists and Ornamental Horticulturists Society, 1170 Broadway, New York.
American Forestry Association, Washington, D. C.
American Foundrymens Association, Chicago, Ill.
American Fruit and Vegetable Shippers Association, Chicago, Ill.
American Fur Dealers Association, 46 W. 24th St., New York.
American Gas Association, 130 E. 15th St., New York.
American Gear Manufacturers Association, Stenton and Wyoming Aves., Philadelphia, Pa.
American Hardware Manufacturers Association, 233 Broadway, New York.
American Hardwood Manufacturers Association, Memphis, Tenn.
American Hotel Association, Auditorium Tower, Chicago, Ill.
American Incubator Manufacturing Association, Lincoln, Neb.
American Industrial Licensed Lenders Association, 204 Chestnut St., Harrisburg, Pa.
American Institute of Accountants, 1 Liberty St., New York.
American Institute of Lead Manufacturers, 90 West St., New York.
American Iron, Steel and Heavy Hardware Association, 47 W. 34th St., New York.
American Iron and Steel Institute, 61 Broadway, New York.
American Lace Manufacturers Association, 1403 Turks Head Bldg., Providence, R. I.
American Malleable Castings Association, Cleveland, Ohio.
American Manufacturers Association of Products of Corn, Room 837, 208 S. La Salle St., Chicago, Ill.
American Meat Institute, 116 Nassau St., New York.
American Meat Packers Association, New York.

American Medical Trade Association, 5 S. Wabash Ave., Chicago, Ill.
American Men's and Boys' Clothing Manufacturers Association, New York.
American National Live Stock Association, Denver, Colo.
American National Retail Jewelers Association, Neenah, Wis.
American Newspaper Publishers Association, 63 Park Row, New York.
American Olive Oil Importers Association, New York.
American Paper and Pulp Association, 18 E. 41st St., New York.
American Paper and Pulp Mill Superintendents Association, 3340 N. Paulina St., Chicago, Ill.
American Peat Society, New York.
American Petroleum Institute, 19 W. 44th St., New York.
American Petroleum League, Chicago, Ill.
American Pharmaceutical Association, Philadelphia, Pa.
American Photo-Engravers Association, Chicago, Ill.
American Pocket Knife Industry, Rochester, N. Y.
American Poultry Association, Fort Wayne, Ind.
American Railroads Association, 75 Church St., New York.
American Road Builders Association, 150 Nassau St., New York.
American Seed Trade Association, Cleveland, Ohio.
American Shovel Institute, Pittsburgh, Pa.
American Soda Pulp Export Association, 200 Fifth Ave., New York.
American Specialty Manufacturers Association, 299 Broadway, New York.
American Spice Trade Association, 124 Front St., New York.
American Staple Manufacturers Association, 120 Broadway, New York.
American Steamship Association, 17 Battery Pl., New York.
American Supply and Machinery Manufacturers Association, 233 Broadway, New York.
American Surgical Trade Association, 109 N. Wabash St., Chicago, Ill.
American Tack Manufacturers Association, 120 Broadway, New York.
American Walnut Manufacturers Association, 115 Broadway, New York, and 616 S. Michigan Ave., Chicago, Ill.
American Warehousemens Association, Pittsburgh, Pa.
American Washing Machine Manufacturers Association, 638 Otis Bldg., 10 S. La Salle St., Chicago, Ill.

American Welding Society, 29 W. 39th St., New York.
American Wholesale Coal Association, Chicago, Ill.
American Wholesale Garment Association, 1219 Washington Ave., St. Louis, Mo.
American Wholesale Lumber Association, 620 S. Michigan Blvd., Chicago, Ill.
American Wine Growers Association, New York.
American Wood Preservers Association, Mt. Royal Station, Baltimore, Md.
American Wool Improvement Association, Rawlins, Wyo.
American Zinc Institute, 27 Cedar St., New York.
Amusement Poster Manufacturers Association, 8 W. 40th St., New York.
Anthracite Coal Operators Association, 107 S. Main St., Bethlehem, Pa.
Apple Growers Association, 204 Franklin St., New York.
Architectural Iron and Bronze Manufacturers, 331 Madison Ave., New York.
Arkansas Soft Pine Bureau, Little Rock, Arkansas.
Asbestos Paper Manufacturers Association, Philadelphia, Pa.
Asbestos Textile Manufacturers Association, Philadelphia, Pa.
Asphalt Association, 25 W. 43rd St., New York.
Associated Business Papers, Inc., 220 W. 42nd St., New York.
Associated Cooperage Industries of America, C-20 Railway Exchange Bldg., St. Louis, Mo.
Associated Dress Industries of America, 14th Floor, The Annex, 32nd St. and Broadway, New York.
Associated Flower and Fancy Feather Manufacturers of America, 135 W. 35th St., New York.
Associated Fur Manufacturers, 303 Fifth Ave., New York.
Associated General Contractors of America, 51 Chambers St., New York, and Chicago, Ill.
Associated Leather Goods Manufacturers of the U. S., 79 Fifth Ave., New York.
Associated Manufacturers of Electrical Supplies, 30 E. 42nd St., New York.
Associated Manufacturers of Saddlery Accessories, Syracuse, N. Y.
Associated Medical Publishers, 47 W. 34th St., New York.
Associated Metal Lath Manufacturers, Edison Bldg., Chicago, Ill.
Associated Office Furniture Manufacturers, 549 Monadnock Bldg., Chicago, Ill.

Associated Office Furniture Manufacturers, 801 Michigan Trust Bldg., Grand Rapids, Mich.
Associated Tile Manufacturers, Beaver Falls, Pa.
Associated Wooden Ware Manufacturers, 79 W. Monroe St., Chicago, Ill.
Association of Alaska Salmon Packers, Seattle, Wash.
Association of American Steel Manufacturers, Pittsburgh, Pa.
Association of American Wood Pulp Importers, New York.
Association of Color Lithographers, 8 W. 40th St., New York.
Association of Cotton Textile Merchants of New York, 70 Worth St., New York.
Association of Creosoting Companies of the Pacific Coast, Seattle, Wash.
Association of Dealers in Mason Building Material, 18 Broadway, New York.
Association of Hatband Manufacturers, 299 Broadway, New York.
Association of Ice Cream Supply Men, 150 Nassau St., New York.
Association of Limb Manufacturers of America, Washington, D. C.
Association of Lock Washer Manufacturers, 320 Broadway, New York.
Association of Manufacturers of Chilled Car Wheels, Chicago, Ill.
Association of Manufacturers of Pyroxylin Compounds, 200 Fifth Ave., New York.
Association of Manufacturers of Window Shades and Shade Cloth, 320 Broadway, New York.
Association of National Advertisers, Inc., 15 E. 26th St., New York.
Association of Natural Gas Supply Men, 2114 Farmers Bank Bldg., Pittsburgh, Pa.
Association of Northwestern Shipbuilders, Seattle, Wash.
Association of Railway Supply Men, Chicago, Ill.
Association of Shirt Manufacturers, New York.
Association of Trust Companies and Banks in Their Fiduciary Capacity, 214 Broadway, New York.
Association of Vitrified Pipe Manufacturers, 519 Second National Bldg., Akron, Ohio.
Association of Wood Pulp Importers, 33 W. 42nd St., New York.
Athletic Underwear and Nightwear Manufacturing, 320 Broadway, New York.
Atlantic Chairmakers Association, Gardner, Mass.
Atlantic Coast Shipbuilders Association, 30 Church St., New York.

Automobile Dealers Association, Inc., 1845 Broadway, New York.
Automotive Equipment Association, 1818 City Hall Square Bldg., Chicago, Ill.
Automotive Wood Wheel Manufacturers Association, 105 W. Monroe St., Chicago, Ill.

B

Baltimore and Southern Paper Trade Association, 36 S. Hanover St., Baltimore, Md.
Baltimore Stationers Association, 229 Park Ave., Baltimore, Md.
Band Instrument Manufacturers Association, c/o Lyons and Healy, Chicago, Ill.
Barbers Supply Dealers Association of America, 25 W. 42nd St., New York.
Bicycle Manufacturers Association, Hartford, Conn.
Binders Board Manufacturers Association, c/o Riverside Paper Manufacturing Co., Welles St., Glastonbury, Conn.
Biscuit and Crackers Manufacturers of the United States, 90 W. Broadway, New York.
Board of Trade of the Fur Industry, 303 Fifth Ave., New York.
Bolster and Side Frame Association, 721 First National Bank Bldg., Chicago, Ill.
Book Paper Manufacturers Association, 18 E. 41st St., New York.
Boston Paper Trade Association, Boston, Mass.
Boston Stationers Association, c/o George E. Damon Co., 7 Pemberton Sq., Boston, Mass.
Box Board Manufacturers Association, 1410 G St., N. W., Washington, D. C.
Brass and Copper Statistical Exchange, 17 Battery Pl., New York.
Bridge Builders and Structural Society, 50 Church St., New York.
Bright Wire Goods Manufacturers, 2 Rector St., New York.
Buffalo Stationers Club, Buffalo, N. Y.
Builders Hardware Manufacturers Service Bureau, 2 Rector St., New York.
Bureau of Envelope Manufacturers of America, 120 Broadway, New York.
Button Manufacturers Association, 1182 Broadway, New York.

C

Canadian Paper Box Manufacturers Association, 24 King St., West, Toronto, Canada.

Canadian Paper Trade Association, 73 King St., West, Toronto, Can.

Canadian Pulp and Paper Association, The, Drummond Bldg., Montreal, Canada.

Canning Machinery and Supplies Association, Cadiz, Ohio.

Cardboard Manufacturers Association, Falulah Paper Co., Fitchburg, Mass.

Carpet Association of America, Inc., 38 E. 26th St., New York.

Carriage Builders National Association of the United States, 128 Opera Pl., Cincinnati, Ohio.

Cartage Exchange of Chicago, 310 Tacoma Bldg., Chicago, Ill.

Carton Club of Chicago, 1803 City Hall Square Bldg., Chicago, Ill.

Casket Manufacturers Association of America, 301 Odd Fellows Temple, Cincinnati, Ohio.

Cement Manufacturers Protective Association, 19 W. 44th St., New York.

Central Association of Stove Manufacturers, Columbus, Ohio.

Central Bureau of Dining Table Manufacturers, 1215 Monadnock Bldg., Chicago, Ill.

Central States Paper Trade Association, 1912 Conway Bldg., Chicago, Ill.

Central Supply Association, 1915 City Hall Square Bldg., Chicago, Ill.

Chamber of Mines and Oil, Los Angeles, Cal.

Chemical Fire Engine Exchange, Cleveland, Ohio.

Chicago Brass Manufacturers Association, 1818 City Hall Square Bldg, Chicago, Ill.

Chicago Coal Merchants Association, 417 S. Dearborn St., Chicago, Ill.

Chicago District Ice Association, 76 W. Monroe St., Chicago, Ill.

Chicago Electrotypers Association, 848 Transportation Bldg., Chicago, Ill.

Chicago Furniture Manufacturers Association, 203 S. Dearborn St., Chicago, Ill.

Chicago Stationers Association, 1047 Conway Bldg., Chicago, Ill.

Children's Dress Manufacturers Association, 200 Fifth Ave., New York.

Cigar Manufacturers Association of America, 31 Nassau St., New York.

Circular Letter Producers Association, 949 Broadway, New York.
Clay Products Association, 913 Chamber of Commerce Bldg., Chicago, Ill.
Cloak, Suit and Skirt Manufacturers Protective Association, 220 Fifth Ave., New York.
Clothing Manufacturers Association of New York, Inc., 752 Broadway, New York.
Clothing Manufacturers Industrial Exchange, New York.
Coal Merchants Association, 90 West St., New York.
Coal Operators Association, 343 S. Dearborn St., Chicago, Ill.
Coated Textile Manufacturers Association, New York.
Cocoa and Chocolate Manufacturers Association of the United States, 451 W. 30th St., New York.
Coffee Growers Association, 73 Front St., New York.
Colorado Stationers Association, 301 Colorado National Bank Bldg., Denver, Colo.
Common Brick Manufacturing Association of America, Chicago, Ill.
Compressed Air Society, 450 Fourth Ave., New York.
Compressed Gas Manufacturers Association, 23 E. 26th St., New York.
Concrete Mixer Association, 111 W. Washington St., Chicago, Ill.
Connecticut Hardware Association, Woodbury, Conn.
Container Club, Chicago, Ill.
Converters Association, 35 Nassau St., New York.
Cordage Institute, 52 Broadway, New York.
Corset Manufacturers Association of the United States, 949 Broadway, New York.
Cost Association of the Paper Industry, 18 E. 41st St., New York.
Cotton Manufacturers Association of South Carolina, Spartanburg, S. C.
Cotton States Merchants Association, Memphis, Tenn.
Cotton Thread Manufacturers Exchange, 116 W. 32nd St., New York.
Cotton Yarn Merchants Association, 226 Chestnut St., Philadelphia, Pa.
Council of Grain Exchange, 417 Postal Telegraph Bldg., Chicago, Ill.
Cover Paper Manufacturers Association, 18 E. 41st St., New York.
Curtain Manufacturers Association of America, 373 Fourth Ave., New York.
Cycle Jobbers Association of America, Buffalo, N. Y.
Cycle Parts and Accessories Association, 35 Warren St., New York.

D

Dairymen's League, Inc., 303 Fifth Ave., New York.
Decorative Glass Manufacturers Association, 26 E. 13th St., New York.
Dental Manufacturers Club of the United States, 717 Montrose Blvd. Chicago, Ill.
Domestic Sugar Producers Association, 82 Wall St., New York.
Dress and Waist Manufacturers Association, 200 Fifth Ave., New York.
Dried Fruit Association of California, 255 California St., San Francisco, Cal.
Dry Saturating Felt Manufacturers Association, 233 Broadway, New York.

E

Eastern Association of Glass Distributers, 1475 Broadway, New York.
Eastern Bar Iron Institute, 103 Park Ave., New York.
Eastern Beet Sugar Manufacturers Association, 1010 Union Trust Bldg., Detroit, Mich.
Eastern Hollow Tile Manufacturers Association, 175 Fifth Ave., New York.
Eastern Ice Manufacturers Association, 154 Nassau St., New York.
Eastern Millinery Association, 200 Fifth Ave., New York.
Eastern Paperboard Manufacturers Association, Washington, D. C.
Eastern Retail Implement and Vehicle Dealers Association, Woodbourne, Pa.
Eastern Shook and Wooden Box Manufacturers Association, 40 Court St., Boston, Mass.
Eastern Soda Water Bottlers Association, Boston, Mass.
Eastern Soil Pipe Association, 269 Clinton Ave., Brooklyn, N. Y.
Eastern States Retail Lumber Dealers Association, New Haven, Conn.
Eastern Terra Cotta Association, 1 Madison Ave., New York.
Eastern Woodworkers Cost Information Service, 103 Park Ave., New York.
Electric Hoist Manufacturing Association, 52 Broadway, New York.
Electrical Contractors Association of Chicago, 179 W. Washington St., Chicago, Ill.

Electrical Credit Association of Chicago, 1350 Marquette Bldg., Chicago, Ill.
Electrical Manufacturers Club, Hartford, Conn.
Electrical Manufacturing Industries, 50 Church St., New York.
Electrical Power Club, 1410 W. Adams St., Chicago, Ill.
Electrical Supply Jobbers Association, 411 S. Clinton St., Chicago, Ill.
Electrical Supply Jobbers Association, 52 Broadway, New York.
Elevator Manufacturers Association of the United States, Chicago, Ill.
Emery and Corundum Importers and Manufacturers Association, Philadelphia, Pa.
Empire State Gas and Electrical Association, 29 W. 39th St., New York.
Empire State Paper Association, Fred D. Morgan and Co., 47 Exchange St., Rochester, N. Y.
Enameled Sanitary Ware Manufacturers Association, Pittsburgh, Pa.
Executive Association of Wholesale Grocers of New England, Boston, Mass.
Extension Table Bureau, 1215 Monadnock Bldg., Chicago, Ill.

F

Farm Mortgage Bankers Association, 112 W. Adams St., Chicago, Ill.
Federation of Mutual Insurance Companies, 208 S. La Salle St., Chicago, Ill.
Fine Cotton Goods Exchange, 17 Battery Place, New York.
Fine Stationery Manufacturers Association, 41 Park Row, New York.
Fire Clay Producers Exchange, Cleveland, Ohio.
Fire Extinguisher Exchange, Cleveland, Ohio.
Five States Furniture Dealers Association, Parker, S. Dak.
Flavoring Extract Manufacturers Association of the United States, 1238 First National Bank Bldg., Chicago, Ill., and c/o Baker Extract Co., Springfield, Mass.
Folding Box Manufacturers National Association, 8 W. 40th St., New York.
Foreign Fruit Association, 202 Franklin St., New York.
Foundry Equipment Manufacturers Association, Cleveland, Ohio.
Foundry Supply Manufacturers Association, 120 Broadway, New York.
Fruit and Produce Trade Association, 97 Warren St., New York.

Fur Dressers and Fur Dyers Association, Inc., 43 W. 27th St., New York.
Furniture Merchants Club, 35 S. Dearborn St., Chicago, Ill.

G

Garment Manufacturers Association, 215 S. Market St., Chicago, Ill.
Gas Products Association, 29 S. La Salle St., Chicago, Ill.
General Contractors Association, 51 Chambers St., New York.
Georgia-Florida Saw Mill Association, Jacksonville, Fla.
Gingham Association, 320 Broadway, New York.
Glass Containers Association of America, Bridgeton, N. J.
Glazed and Fancy Paper Manufacturers Association, 72 Duane St., New York.
Grain Dealers National Association, Toledo, Ohio.
Granite Manufacturers Association, 83½ Main St., Barre, Vt.
Granite Paving Block Manufacturers Association, 13 Park Row, New York.
Graphic Arts Board of Trade, Inc., 291 Broadway, New York.
Greeting Card Association, The, 331 Fourth Ave., New York.
Grinding Wheel Manufacturers Association of the United States and Canada, Dayton, Ohio.
Grocery Bag Manufacturers Service Bureau, 2 Rector St., New York.
Gulf States Paper Association, c/o Tennessee Paper and Bag Co., Memphis, Tenn.

H

Handled Hammer Bureau, 9 E. 45th St., New York.
Hardware Association of the Carolinas, Charlotte, N. C.
Hatters Fur Cutters Association of the United States, New York.
Heating and Piping Contractors National Association, 50 Union Sq., New York.
Hemlock Manufacturers Promotion Bureau, Oshkosh, Wis.
Hickory Products Association, 105 W. Monroe St., Chicago, Ill.
Hollow Building Tile Association, 1409 Conway Bldg., Chicago, Ill.
Horn and Celluloid Manufacturers Association, Leominster, Mass.

I

Ice Publicity Association, 18 E. 41st St., New York.
Illinois and Wisconsin Retail Coal Dealers Association, Chicago, Ill.
Illinois Sand and Gravel Producers Association, 1406 City Hall Square Bldg., Chicago, Ill.
Independent Oil Mens Association, 110 S. Dearborn St., Chicago, Ill.
Independent Tobacco Manufacturers Association of United States, Covington, Ky.
Insecticide and Disinfectant Manufacturers Association, New York.
Institute of American Meat Packers, Chicago, Ill.
Institute of Dry Color Manufacturers, New York.
Institute of Electrical Contractors, 103 Park Ave., New York.
Institute of Lighting Fixture Manufacturers, 103 Park Ave., New York.
Institute of Lithopone Manufacturers, 200 Fifth Ave., New York.
Institute of Makers of Explosives, 103 Park Ave., New York.
International Acetylene Association, New York.
International Apple Shippers Association, Rochester, N. Y.
International Association of Garment Manufacturers, 320 Broadway, New York.
International Association Manufacturing Photo Engravers, 862 Monadnock Bldg., Chicago, Ill.
International Association of Master House Painters and Decorators of the United States and Canada, Southern Bldg., Washington, D. C.
International Cut Stone Contractors and Quarrymens Association, Chicago, Ill.
International Milk Dealers Association, Indianapolis, Ind.
International Monumental Granite Producers Association, Boston, Mass.
International Stamp Manufacturers Association, 207 Sandusky St., Pittsburgh, Pa.
Interstate Cottonseed Crushers Association, Dallas, Tex.
Interstate Furniture Dealers Association, Chicago, Ill.
Investment Bankers Association of America, 111 W. Monroe St., Chicago, Ill.
Iowa-Nebraska Wholesale Grocers Association, Council Bluffs, Iowa.

J

Jewelry Craft Association, Inc., 50 E. 42nd St., New York.
Jobbers and Manufacturers Association of Virginia, 408 Lyric Bldg., Richmond, Va.

K

Kansas Book Dealers Association, 327 E. Douglas St., Wichita, Kan.
Knit Goods Manufacturers of America, Utica, N. Y.
Knitting Machine Manufacturers Association, 213 Race St., Philadelphia, Pa.

L

Label Manufacturers National Association, 8 W. 40th St., New York.
Laundryowners National Association, La Salle, Ill.
Leather Belting Exchange, Philadelphia, Pa.
Lime Association, The, Biggs Bldg., Washington, D. C.
Linen Supply Association of America, Chicago, Ill.
Linseed Association, 91 Wall St., New York.
Live Poultry and Dairy Shippers Traffic Association, Chicago, Ill.
Lumber Carriers Association of the Great Lakes, Detroit, Mich.
Lumber Dealers Association of Connecticut, P. O. Box 1219, New Haven, Conn.
Lumber Manufacturers Association of Southern New England, Ansonia, Conn.

M

Magnesia Association of America, Philadelphia, Pa.
Malleable Iron Association, 1900 Euclid Ave., Cleveland, Ohio.
Maltsters Bureau of Statistics, 326 W. Madison St., Chicago, Ill.
Manufacturers Aircraft Association, 501 Fifth Ave., New York.
Manufacturers Co-operative Service of American Hardware Manufacturers Association, 9 E. 45th St., New York.
Manufacturers Textile Association, Worcester, Mass.
Manufacturing Chemists Association, 84 State St., Boston, Mass.
Manufacturing Jewelers Board of Trade, Turk's Head Bldg., Providence, R. I.
Manufacturing Perfumers Association of the United States, 309 Broadway, New York.

Maple Flooring Manufacturing Association, Chicago, Ill.
Massachusetts Ice Dealers Association, 335 Ashmont St., Dorchester, Mass.
Massachusetts Wholesale Lumber Association, Inc., 70 Kilby St., Boston, Mass.
Mens Belt Exchange, 116 W. 32nd St., New York.
Merchants Ladies Garment Association, 47 W. 34th St., New York.
Metal Finishers Equipment Association, 120 Broadway, New York.
Metalware Club, 280 Madison Ave., New York.
Meter Manufacturers Exchange, The, 17 Battery Pl., New York.
Metropolitan Bag and Paper Jobbers Association, 66 Broadway, New York.
Metropolitan Brass Founders Association, 97 Second Ave., Brooklyn, N. Y.
Metropolitan Paper Box Manufacturers Association, 150 Nassau St., New York.
Middle States Shoe Wholesalers Association, 127 Duane St., New York.
Middle States Textile Manufacturers Association, Cannelton, Ind.
Middle States Wrapping Paper Association, Conway Bldg., Chicago, Ill.
Mid-West Dry Goods Association, Indianapolis, Ind.
Mid-West Implement Dealers Association, Council Bluffs, Iowa.
Midwest Milk Manufacturers Association, 110 S. Dearborn St., Chicago, Ill.
Mid-West Rubber Manufacturers Association, 332 S. Michigan Ave., Chicago, Ill.
Millers National Federation, 914 Royal Insurance Bldg., Chicago, Ill.
Millinery Chamber of Commerce, 17 E. 38th St., New York.
Millinery Jobbers Association, 301 Peoples Gas Bldg., Chicago, Ill.
Missouri Valley Wrapping Paper Association, c/o Standard Paper and Woodenware Co., 304 W. 6th St., Kansas City, Mo.
Missouri-Kansas Wholesale Grocers Association, Kansas City, Mo.
Morocco Manufacturers National Association, 1222 North American Bldg., Philadelphia, Pa.
Motion Picture Industry of America, 1520 Broadway, New York.
Motor and Accessory Manufacturers Association, 233 W. 42nd St., New York.
Motor Truck Association of America, 1790 Broadway, New York.
Moulding and Picture Frame Manufacturers Credit Bureau, Indianapolis, Ind.

Mountain States Lumber Dealers Association, Denver, Colo.
Music Industries Chamber of Commerce of America, 105 W. 40th St., New York.
Music Publishers Association of the United States, 243 W. 42nd St., New York.
Musical Supply Association of America, 105 W. 40th St., New York.

N

Naphthalene Manufacturers Exchange, 17 Battery Pl., New York.
National Agricultural Limestone Association, Columbus, Ohio.
National Alliance of Case Goods Association, 706 Grand Rapids Savings Bldg., Grand Rapids, Mich.
National Association of Advertising Specialty Manufacturers, 955 Continental and Commercial Bank Bldg., Chicago, Ill.
National Association of Asphalt Block Manufacturers, 25 Broad St., New York.
National Association of Automobile Accessory Jobbers, 1818 City Hall Square Bldg., Chicago, Ill.
National Association of Baby Vehicle Manufacturers, 212 Monger Bldg., Elkhart, Ind.
National Association of Bedding Manufacturers, 831 Monadnock Bldg., Chicago, Ill.
National Association of Box Manufacturers, 1553 Conway Bldg., Chicago, Ill.
National Association of Brass Manufacturers, 139 N. Clark St., Chicago, Ill.
National Association of Brokers in Refined Sugar, 124 Front St., New York.
National Association of Builders Exchanges, Atlanta, Ga.
National Association of Building Owners and Managers, 1220 Republic Bldg., Chicago, Ill.
National Association of Chair Manufacturers, 530 Monadnock Bldg., Chicago, Ill.
National Association of Chewing Gum Manufacturers, 19 W. 44th St., New York.
National Association of Clothiers, 752 Broadway, New York.
National Association of Collapsible Tube Manufacturers, New Brighton, Pa.
National Association of Corrugated Fibre Box Manufacturers, 1822 Republic Bldg., Chicago, Ill.

National Association of Cost Accountants, 233 Broadway, New York.
National Association of Cotton Manufacturers, Boston, Mass.
National Association of Credit Men, 41 Park Row, New York.
National Association of Cut Glass Manufacturing, Jermyn, Pa.
National Association of Decorative Arts and Industries, New Rochelle, N. Y.
National Association of Dyers and Cleaners, 1118 Fullerton Bldg., St. Louis, Mo.
National Association of Egg Case and Egg Case Fillers Manufacturers, Altamont, Ill.
National Association of Electrical Contractors and Dealers, 110 W. 40th St., New York.
National Association of Employing Lithographers, 39 State St., Rochester, N. Y.
National Association of Engine and Boat Manufacturers, 29 W. 39th St., New York.
National Association of Finishers of Cotton Fabrics, 320 Broadway, New York.
National Association of Garment Manufacturers, 320 Broadway, New York.
National Association of Glue and Gelatin Manufacturers, 81 Fulton St., New York.
National Association of Greeting Card Manufacturers, 331 Fourth Ave., New York.
National Association of Hosiery and Underwear Manufacturers, 425 Chestnut St., Philadelphia, Pa.
National Association of Ice Cream Manufacturers, 109 Lafayette St., New York.
National Association of Ice Industries, 18 E. 41st St., New York.
National Association of Importers of Hides and Skins, 41 Park Row, New York.
National Association of the Jewish Baking Industry, 51 Chambers St., New York.
National Association of Kitchen Cabinet Manufacturers, Nappanee, Ind.
National Association of Ladies Hatters, 200 Fifth Ave., New York.
National Association of Leather Belting Manufacturing, P. O. Box 859, City Hall Station, New York.

National Association of Loose Leaf Manufacturers, 1037 Conway Bldg., Chicago, Ill.
National Association of Macaroni and Noodle Manufacturing of America, Springfield, Ill.
National Association of Manufacturers of Pressed and Blown Glassware, Pittsburgh, Pa.
National Association of Manufacturing Jewelers, Providence, R. I.
National Association of Marble Dealers, 1320 Citizens Bldg., Cleveland, Ohio.
National Association Master Gravel and Slag Roofers of America, 17 Battery Pl., New York.
National Association of Men's Neckwear Manufacturers, Inc., 61 Broadway, New York.
National Association of Men's Straw Hat Manufacturers of America, 1182 Broadway, New York.
National Association of Merchant Tailors of America, 9 Hamilton Pl., Boston, Mass.
National Association of Motion Picture Industry, Inc., 1475 Broadway, New York.
National Association of Music Merchants, 105 W. 40th St., New York.
National Association of Office Appliance Manufacturers, 233 Broadway, New York.
National Association of Ornamental Iron and Bronze Manufacturing, Cincinnati, Ohio.
National Association of Paint Jobbers, 140 Van Buren St., Chicago, Ill.
National Association of Piano Bench and Stool Manufacturers, 1315 Monadnock Bldg., Chicago, Ill.
National Association of Piano Tuners, 26 E. Oak St., Chicago, Ill.
National Association of Printing Ink Makers, 15 E. 40th St., New York.
National Association of Purchasing Agents, 25 Beaver St., New York.
National Association of Ready Cut House Manufacturers, c/o Gordon-Van Tine Co., Davenport, Ia.
National Association of Real Estate Boards, 310 Riggs Bldg., Washington, D. C.
National Association of Retail Clothiers, 223 W. Jackson Blvd., Chicago, Ill.

National Association of Retail Druggists, 168 N. Michigan Ave., Chicago, Ill.

National Association of Retail Grocers of the United States, Denver, Colo.

National Association of Sand and Gravel Producers, Indianapolis, Ind.

National Association of Sheet Metal Contractors, 261 S. Fourth St., Philadelphia, Pa.

National Association of Sheet and Tin Plate Manufacturers, 420 Oliver Bldg., Pittsburgh, Pa.

National Association of Sheet Metal Products Manufacturers, 1016 Commerce Bldg., Minneapolis, Minn.

National Association of Sheet Music Dealers, 8 E. 34th St., New York.

National Association of Shirt Manufacturers, 320 Broadway, New York.

National Association of Stationary Engineers, Chicago, Ill.

National Association of Stationers and Manufacturers, 41 Park Row, New York.

National Association of Steel and Copper Plate Engravers, 331 Fourth Ave., New York.

National Association of Steel Furniture Manufacturers, 911 Schofield Bldg., Cleveland, Ohio.

National Association of Stove Manufacturers, Troy, N. Y.

National Association of Sweater and Knitted Textile Manufacturers, 320 Broadway, New York.

National Association of Talking Machine Jobbers, 119 Ninth St., Pittsburgh, Pa.

National Association of Upholstered Furniture Manufacturers, 1600 Westminster Bldg., Chicago, Ill.

National Association of Waste Material Dealers, Times Bldg., New York.

National Association of White Corn Millers, Louisville, Ky.

National Association of Window Glass Manufacturing, Pittsburgh, Pa.

National Association of Wool Fibre Manufacturers, 10 High St., Boston, Mass.

National Association of Wool Manufacturing, Boston, Mass.

National Association of Worsted and Woolen Spinners, 257 Fourth Ave., New York.

National Automatic Sprinkler Association, 80 Maiden Lane, New York.
National Automobile Chamber of Commerce, 480 Lexington Ave., New York.
National Automobile Dealers Association, 603 Rialto Theatre Bldg., St. Louis, Mo.
National Basket and Fruit Package Manufacturers Association, 1715 Merchants Bank Bldg., Indianapolis, Ind.
National Board of Fire Underwriters, 76 William St., New York.
National Boiler and Radiator Manufacturers Association, Geneva, N. Y.
National Boot and Shoe Manufacturers Association, Granite Bldg., Rochester, N. Y.
National Bottle Manufacturers Association of the United States and Canada, 120 Broadway, New York.
National Boys Blouse and Shirt Manufacturers Association, 320 Broadway, New York.
National Brick Manufacturers Association, 211 Hudson St., Indianapolis, Ind.
National Broom Manufacturers Association, Chicago, Ill.
National Builders Bureau, Spokane, Wash.
National Builders Supply Association, Indianapolis, Ind.
National Building Granite Quarries Association, Boston, Mass.
National Bureau of Wholesale Lumber Distributers, Washington, D. C.
National Canned Goods and Dried Fruit Brokers Association, 326 W. Madison St., Chicago, Ill.
National Canners Association, Washington, D. C.
National Cigar Leaf Tobacco Association, Lancaster, Pa.
National Cloak, Suit and Skirt Manufacturers Association, 1019 Guardian Bldg., Cleveland, Ohio.
National Coal Association, 707 Southern Bldg., Washington, D. C.
National Coal Jobbers Association, Old Colony Club, Chicago, Ill.
National Coffee Roasters Association, 74 Wall St., New York.
National Commercial Fixture Manufacturers Association, 517 Murray Bldg., Grand Rapids, Mich.
National Committee of the Confederated Supply Association, New York.
National Confectioners Association of the United States, 1921 Conway Bldg., Chicago, Ill.

National Contractors Association, 103 Park Ave., New York.
National Council of American Cotton Manufacturers, 320 Broadway, New York.
National Council of Furniture Association, Chicago, Ill.
National Council of Insurance Federations, 110 Fort St. W., Detroit, Mich.
National Crushed Stone Association, 405 Hartman Bldg., Columbus, Ohio.
National Dairy Council, Chicago, Ill.
National Dairy Union, Catawissa, Pa.
National District Heating Association, Greenville, Ohio.
National Drug Trade Conference, Detroit, Mich.
National Electric Light Association, 29 W. 39th St., New York.
National Erectors Association, 286 Fifth Ave., New York.
National Federation of Box Manufacturers Associations, Philadelphia, Pa.
National Federation of Construction Industries, Philadelphia, Pa.
National Federation of Implement and Vehicle Dealers Association, Abilene, Kan.
National Fertilizer Association, 1010 Arch St., Philadelphia, Pa.
National Founders Association, 29 S. La Salle St., Chicago, Ill.
National Garment Retailers Association, 47 W. 34th St., New York.
National Gas Appliance Manufacturers Exchange, 17 Battery Pl., New York.
National Gas Engine Association, 1456 Monadnock Bldg., Chicago, Ill.
National Ginners Association, Memphis, Tenn.
National Glass Distributers Association, 111 W. Monroe St., Chicago, Ill.
National Handling Machinery Manufacturers Association, 35 W. 39th St., New York.
National Hardware Association of the United States, Philadelphia, Pa.
National Hardwood Lumber Association, 1864 McCormick Bldg., Chicago, Ill.
National Harness Manufacturers Association, Cincinnati, Ohio.
National Hay Association, Winchester, Ind.
National Implement and Vehicle Association, 72 W. Adams St., Chicago, Ill.

National Jewelers Board of Trade, 15 Maiden Lane, New York.
National Ladder Manufacturers Association, 111 W. Monroe St., Chicago, Ill.
National League of Commission Merchants, 90 West Broadway, New York.
National Leather and Shoe Finders Association, 817 Wright Bldg., St. Louis, Mo.
National Lumber Exporters Association, Baltimore, Md.
National Lumber Manufacturers Association, 925 Lumber Exchange Bldg., Chicago, Ill.
National Machine Tool Builders Association, Worcester, Mass.
National Manufacturers of Soda Water Flavors, 1238 First National Bank Bldg., Chicago, Ill.
National Marine League of the United States, 268 Pearl St., New York.
National Metal Trades Association, 1021 Peoples Gas Bldg., Chicago, Ill.
National Millinery Association, 1237 Broadway, New York.
National Mineral Water and Beverage Association, New York.
National Music Roll Manufacturers Association, 57 E. Jackson Blvd., Chicago, Ill.
National Musical Merchandise Association of the United States, 54-82 Broadway, Brooklyn, N. Y.
National Onion Association, Kenton, Ohio.
National Ornamental Glass Manufacturers Association, 2700 St. Vincent St., St. Louis, Mo.
National Outdoor Furniture Manufacturers Association, Greensburg, Pa.
National Paint, Oil and Varnish Association, 100 William St., New York.
National Paper Box Manufacturers Association, 112 N. Broad St., Philadelphia, Pa.
National Paper Trade Association of the United States, 41 Park Row, New York.
National Paving Brick Manufacturers Association, 830 B. of L. E. Bldg., Cleveland, Ohio.
National Perfumery Manufacturers Association, 68 Hunters Point Ave., Long Island City., N. Y.
National Petroleum Association, 823 The Guardian Bldg., Cleveland, Ohio.

National Piano Manufacturers Association of America, 494 Boylston St., Boston, Mass.
National Piano Travelers Association, 136th St. and Willow Ave., New York.
National Pickle Packers Association, 326 W. Madison St., Chicago, Ill.
National Pipe and Supplies Association, 909 Oliver Bldg., Pittsburgh, Pa.
National Poultry, Butter and Egg Association, Chicago, Ill.
National Preservers and Fruit Products Association, Baltimore, Md.
National Railway Appliances Association, Chicago, Ill.
National Refrigerator Manufacturers Association, 1938 Farwell Ave., Chicago, Ill.
National Refrigerator Manufacturers Association, Box 745, Kalamazoo, Mich.
National Retail Coal Merchants Association, 436 Widener Bldg., Philadelphia, Pa.
National Retail Dry Goods Association, 200 Fifth Ave., New York.
National Retail Hardware Association, Argos, Ind.
National Retail Liquor Dealers Association of the United States of America, Chicago, Ill.
National Retail Lumber Dealers Association, 923 Dime Bank Bldg., Detroit, Mich.
National Retail Monument Dealers Association of America, Lafayette, Ind.
National Retail Toy Buyers Association, 200 Fifth Ave., New York.
National Saddlery Manufacturing Association, Chicago, Ill.
National School Supply Association, Steinway Hall Bldg., Chicago, Ill.
National Shoe Retailers Association of the United States of America, Danville, Ill.
National Shoe Wholesalers Association of the United States of America, 209 S. La Salle St., Chicago, Ill.
National Slag Association, Cleveland, Ohio.
National Supply and Machinery Dealers Association, Philadelphia, Pa.
National Tent and Awning Manufacturers, 344 Endicott Bldg., Minneapolis, Minn.
National Terra Cotta Society, 1 Madison Ave., New York.
National Varnish Manufacturers Association, 636 The Bourse, Philadelphia, Pa.

National Veneer and Panel Manufacturers Association, 1715 Merchants Bank Bldg., Indianapolis, Ind.
National Warm Air Heating and Ventilating Association, Columbus, Ohio.
National Wholesale Druggists Association, 99 Nassau St., New York.
National Wholesale Dry Goods Association, 505 Arch St., Philadelphia, Pa.
National Wholesale Floor Covering Association, Philadelphia, Pa.
National Wholesale Grocers Association, 6 Harrison St., New York.
National Wholesale Jewelers Association, Philadelphia, Pa.
National Wholesale Lumber Dealers Association, 66 Broadway, New York.
National Wholesale Mens Furnishings Association, 200 Fifth Ave., New York.
National Wholesale Tailors Association, Chicago, Ill.
National Womens Association of Commerce, Chicago, Ill.
National Wood Chemical Association, Bradford, Pa.
National Wool Growers Association, Salt Lake City, Utah.
National Woolens and Trimmings Association, 13 Astor Pl., New York.
Natural Gas Association of America, Oliver Bldg., Pittsburgh, Pa.
Natural Ice Association of America, 18 E. 41st St., New York.
Natural Plant, Flower and Fruit Guild, 70 Fifth Ave., New York.
Nebraska Manufacturers Association, Orpheum Theatre Bldg., Lincoln, Neb.
New England Association of Boiler Manufacturers, East Boston, Mass.
New England Association of Dyers and Cleaners, Boston, Mass.
New England Business Paper Association, Boston, Mass.
New England Coal Dealers Association, Boston, Mass.
New England Dry Goods Association, Boston, Mass.
New England Hardware Dealers Association, 176 Federal St., Boston, Mass.
New England Implement Dealers Association, Natick, Mass.
New England Iron and Hardware Association, Boston, Mass.
New England Jewelers Board of Trade, Boston, Mass.
New England Lace Manufacturers Association, Providence, R. I.
New England Manufacturing Confectioners Association, Boston, Mass.

New England Manufacturing Jewelers and Silversmiths Association, Providence, R. I.
New England Paper Merchants Association, Boston, Mass.
New England Shoe and Leather Association, 166 Essex St., Boston, Mass.
New England Shoe Wholesalers Association, Boston, Mass.
New England Stove Manufacturing Association, Boston, Mass.
New England Yellow Pine Dealers Association, Providence, R. I.
New Hampshire Manufacturers Association, 83 Hanover St., Manchester, N. H.
News-Print Service Bureau, 18 E. 41st St., New York.
New York Boat Owners Association, 80 Broad St., New York.
New York Lumber Trade Association, The, 18 Broadway, New York.
New York State Bankers Association, 128 Broadway, New York.
New York State Retail Grocers Association, 164 Bush St., New York.
New York State Ice Manufacturers Association, 154 Nassau St., New York.
New York Wholesale Grocers Association, 6 Harrison St., New York.
North Carolina Pine Association, Norfolk, Va.
North Carolina Pine Box and Shook Manufacturers Association, Emporia, Va.
Northern Hemlock and Hardwood Manufacturers Association, Oshkosh, Wis.
Northern Pine Manufacturers Association, Minneapolis, Minn.
Northern Potato Traffic Association, Minneapolis, Minn.
Northern White Cedar Association, Minneapolis, Minn.
Northwest Clay Association, Minneapolis, Minn.
Northwest Face Brick Association, Minneapolis, Minn.
Northwest Retail Furniture Dealers Association, Portland, Ore.
Northwest Tractor Trade Association, Minneapolis, Minn.
Northwestern Fruit Jobbers Association, Minneapolis, Minn.
Northwestern Hardwood Lumbermens Association, Minneapolis, Minn.
Northwestern Lumbermens Association, Minneapolis, Minn.
Northwestern Paper Merchants Association, Minneapolis, Minn.
Northwestern Photo Engravers Association, Portland, Ore.
Northwestern Stationers Association, 379 Minnesota St., St. Paul, Minn.

O

Oak Flooring Manufacturers Association, Chicago, Ill.
Ocean Pearl Button Manufacturing Association, Philadelphia, Pa.
Olive Association, 129 Charlton St., New York.
Omaha Stationers Association, c/o Omaha Printing Co., 13th and Farnam Sts., Omaha, Neb.
Optical Manufacturers Association, 511 Westminster St., Providence, R. I.
Organ Builders Association of America, 112 Burrell St., Milwaukee, Wis.
Ostrich Feather Manufacturers Association of America, 200 Fifth Ave., New York.
Outdoor Advertising Association, Chicago, Ill.
Oyster Growers and Dealers Association of North America, Washington, D. C.

P

Pacific Coast Paper Box Manufacturers Association, c/o Independent Paper Box Co., Oakland, Cal.
Pacific Northwest Milk Dealers Association, Seattle, Wash.
Pacific Northwestern Stationers Association, Seattle, Wash.
Pacific States Paper Trade Association, 461 Market St., San Francisco, Cal.
Padlock Manufacturers Service Bureau, 2 Rector St., New York.
Paint Manufacturing Association of the United States, Philadelphia, Pa.
Paint and Oil Club of New England, Boston, Mass.
Paper Association of New York City, c/o Henry Lindenmeyr Sons, 32 Bleecker St., New York.
Paper Trade Association of Philadelphia, Philadelphia, Pa.
Paper Trade Conference, 461 Market St., San Francisco, Cal.
Parquet Flooring Association, 16 W. 47th St., New York.
Pennsylvania and Atlantic Seaboard Hardware Association, Pittsburgh, Pa.
Pennsylvania, New Jersey and Delaware Wholesale Grocers Association, Philadelphia, Pa.
Perfume Importers Association, 25 W. 32nd St., New York.
Periodical Publishers Association of America, 200 Fifth Ave., New York.

Philadelphia Paper Stock Dealers Association, 30 S. Marshall St., Philadelphia, Pa.
Philadelphia Stationers Association, 607 Chestnut St., Philadelphia, Pa.
Photographers Association of America, Cleveland, Ohio.
Pipe Fittings and Valve Exchange, 17 Battery Pl., New York.
Pittsburgh Stationers Club, The, c/o The Myers and Shinkle Co., 633 Liberty Ave., Pittsburgh, Pa.
Plate Glass Manufacturers of America, Pittsburgh, Pa.
Plumbago-Graphite Association, 17 State St., New York.
Portland Cement Association, 111 W. Washington St., Chicago, Ill.
Poster Advertising Association Inc., 1620 Steger Bldg., Chicago, Ill.
Potato Association of America, Minneapolis, Minn.
Prepared Roofing and Shingle Manufacturing Association, Chicago, Ill.
Pressed Metal Association, Cleveland, Ohio.
Printing Press Manufacturers Association, 150 Nassau St., New York.
Private Bankers Association of the State of New York, 60 Broadway, New York.
Proprietary Association of America, Syracuse, N. Y.
Puget Sound Salmon Canners Association, Seattle, Wash.
Pulp Manufacturers Association, 18 E. 41st St., New York.

R

Railway Business Association, 30 Church St., New York.
Railway Car Manufacturers Association, 61 Broadway, New York.
Railway Supply Manufacturers Association, Pittsburgh, Pa.
Railway Telegraph and Telephone Appliance Association, 30 Church St., New York.
Range Boiler Exchange, 17 Battery Pl., New York.
Raw Ostrich Feather Importers Association, 31 Union St., New York.
Refractories Manufacturers Association, 840 Oliver Bldg., Pittsburgh, Pa.
Refrigerating Machinery Manufacturers Association, Cincinnati, Ohio.
Refrigerator Manufacturers Association, 1135 Broadway, New York.
Retail Bakers Association of the Eastern States, 1404 Decatur St., Brooklyn, N. Y.

Retail Booksellers and Stationers Association of Illinois, 323 S. Wabash Ave., Chicago, Ill.
Retail Booksellers and Stationers Association of Ohio, c/o University Book Store, Delaware, Ohio.
Retail Furriers Association of America, Inc., 5 Beekman St., New York.
Retail Millinery Association of America, 1270 Broadway, New York.
Rice Dealers of the World Association, New York.
Rice Millers Association, Beaumont, Tex.
Rolling Steel Door Association, 103 Park Ave., New York.
Rope Paper Sack Bureau, Boston, Mass.
Rubber Association of America, Inc., The, 52 Vanderbilt Ave., New York.

S

St. Louis Stationers Association, Central National Bank Bldg., St. Louis, Mo.
Sales Book Manufacturers Association, 986 Continental and Commercial Bank Bldg., Chicago, Ill.
Salesmens Association of the Paper Industry, 18 E. 41st St., New York.
Salt Producers Association, Detroit, Mich.
Sandpaper Association of the United States, 61 Broadway, New York.
Sanitary Potters Association, American Mechanic Bldg., Trenton, N. J.
Savings Bank Association of the State of New York, 56 W. 45th St., New York.
Scale and Balance Manufacturers Association, 1253 Broadway, New York.
Sewing Machine Manufacturers Association, c/o Davis Sewing Machine Co., Dayton, Ohio.
Sheet Metal Club, Philadelphia, Pa.
Sheet Metal Ware Association, 280 Madison Ave., New York.
Shipowners Association of the Pacific Coast, San Francisco, Cal.
Shoe Lace Manufacturers Exchange, Providence, R. I.
Shoe Polish Manufacturers Association of America, The, Charleston, W. Va.
Silk Association of America, The, 354 Fourth Ave., New York.
Silk Dyers Mutual Protective Association of America, Paterson, N. J.

Solder and Bearing Metal Manufacturers Association, 233 Broadway, New York.
Southeastern Box Manufacturers Association, Atlanta, Ga.
Southeastern Hardware and Implement Association, Atlanta, Ga.
Southeastern Millers Association, Nashville, Tenn.
Southeastern Wrapping Paper Association, c/o Tennessee Paper and Bag Co., Memphis, Tenn.
Southern Appalachian Coal Operators Association, Knoxville, Tenn.
Southern Cypress Manufacturing Association, 1206 Perditto Bldg., New Orleans, La.
Southern Furniture Manufacturing Association, High Point, N. C.
Southern Hardware Jobbers Association, P. O. Box 654, Richmond, Va.
Southern Hardwood Traffic Association, Memphis, Tenn.
Southern Ice Exchange, Selma, Ala.
Southern Kaolin Miners Association, Macon, Ga.
Southern Logging Association, New Orleans, La.
Southern Metal Trades Association, Atlanta, Ga.
Southern Pine Association, Interstate Bank Bldg., New Orleans, La.
Southern Retail Furniture Association, Charlottesville, Va.
Southern Sash, Door and Millwork Manufacturers Association, 1003 Chandler Bldg., Atlanta, Ga.
Southern Shoe Wholesalers Association, Charleston, S. C.
Southern Spinners Association, York, S. C.
Southern Supply and Machinery Dealers Association, Richmond, Va.
Southern Wholesale Dry Goods Association, Richmond, Va.
Southern Wholesale Grocers Association, Jacksonville, Fla.
Southwestern Electrical and Gas Association, Dallas, Tex.
Southwestern Ice Manufacturers Association, Temple, Tex.
Southwestern Interstate Coal Operators Association, Kansas City, Mo.
Southwestern Lumbermens Association, 501 Long Bldg., Kansas City, Mo.
Southwestern Millers League, Kansas City, Mo.
Spruce Bureau, North Portland, Ore.
State Undertakers Association, 78 Greenwich St., New York.
Stationers Association of California, 255 California St., San Francisco, Cal.
Stationers and Publishers Board of Trade, 97 Nassau St., New York.
Stationers Association of Essex County, 927 Broad St., Newark, N. J.

Stationers Association of New Orleans, 403 Weis Bldg., New Orleans, La.
Stationers Association of Southern California, 608 Johnson Bldg., Los Angeles, Cal.
Stationers Club of Columbus, c/o Diehl Office Equipment Co., Columbus, Ohio.
Stationers Club of Indianapolis, 44 S. Penn. St., Indianapolis, Ind.
Stationers Club of Toledo, 827 Nicholas Bldg., Toledo, Ohio.
Steel Barrel Manufacturers Association, Detroit, Mich.
Steel Fabricators of the United States, 50 Church St., New York.
Steel Sash Manufacturers Exchange, 17 Battery Pl., New York.
Sterling Silver-Ware Manufacturers Association, 15 Maiden Lane, New York.
Stoker Manufacturers Association, 25 Foster St., Worcester, Mass.
Store Equipment Manufacturers Association, 233 Broadway, New York.
Structural Steel Society, Chicago, Ill.
Suspenders Manufacturers Exchange, 116 W. 32nd St., New York.
Sweater and Knitted Textile Manufacturers Association, 320 Broadway, New York.

T

Tanners Council of the U. S. A., 41 Park Row, New York.
Tea Association of the United States, 106 Water St., New York.
Technical Association of the Pulp and Paper Industry, 542 Fifth Ave., New York.
Texas Hardware Jobbers Association, 320 Broadway, New York.
Textile Alliance, 45 E. 17th St., New York.
Textile Color Card Association of the United States, 315 Fourth Ave., New York.
Tile and Mantel Contractors Association of America, Cincinnati, Ohio.
Tile Manufacturers Credit Association, 1 Reeves Bldg., Beaver Falls, Pa.
Tin Importers Association, Inc., 50 Broad St., New York.
Tissue Paper Manufacturers Association, 18 E. 41st St., New York.
Tobacco Association of the United States, Winston-Salem, N. C.
Tobacco Merchants Association of the United States, 5 Beekman St., New York.
Toilet Paper Converters Association, 18 E. 41st St., New York.
Tool Steel Society, 116 W. 32nd St., New York.

Toy Manufacturers of the United States of America, 949 Broadway, New York.
Trailer Manufacturers of America, 110 W. 40th St., New York.
Tri-State Country Grain Shippers Association, Minneapolis, Minn.
Tri-State Packers Association, Princess Anne, Md.
Tubular Plumbing Goods and Tank Trimming Manufacturers Association, New York.
Tumblar Plumbing Goods and Tank Fittings Exchange, 17 Battery Pl., New York.
Turned Ware Association, 422 Murray Bldg., Grand Rapids, Mich.
Turpentine and Rosin Producers Association, New Orleans, La.
Typothetae of Buffalo, 520 White Bldg., Buffalo, N. Y.

U

Umbrella Manufacturers Association of America, 10 W. 23rd St., New York.
Union Association of Lumber and Sash and Door Salesmen, Toledo, Ohio.
United Metal Trades Association of the Pacific Coast, Portland, Ore.
United States Alkali Export Association, 171 Madison Ave., New York.
United States Brewers Association, 50 Union Sq., New York.
United States Dyestuff and Chemical Importers Association, New York.
United States Gold Leaf Manufacturers Association, Brooklyn, N. Y.
United States Manufacturers Association of Ladies and Childrens Hats, 621 Broadway, New York.
United States Potash Producers Association, Washington, D. C.
United States Potters Association, East Liverpool, Ohio.
United States Shellac Importers Association, 175 Pearl St., New York.
United States Sugar Manufacturing Association, Washington, D. C.
United Typothetae and Franklin Clubs of America, 550 Transportation Bldg., Chicago, Ill.
United Upholstery Manufacturers Association, Philadelphia, Pa.
United Waist League of America, 29 E. 32nd St., New York.
Upholstery Association of America, 906 Broadway, New York.
Utah-Idaho Grain Exchange, Salt Lake City, Utah.
Utah-Idaho Wholesale Grocers Association, Salt Lake City, Utah.

V

Vegetable Parchment Manufacturers Association, 505 Fifth Ave., New York.
Vehicle League, Charlotte, N. C.
Vehicle Manufacturers Association of Chicago, 117 N. Dearborn St., Chicago, Ill.
Vitrified Pipe Manufacturing Association, Irondale, Ohio.

W

Wall Paper Manufacturers Association of the United States, 1328 Broadway, New York.
Waterproof Wrapping Paper Manufacturers Association, Niagara Falls, New York.
Waxed Paper Manufacturers Association, 505 Fifth Avenue, New York.
Webbing Manufacturers Exchange, 17 Battery Pl., New York.
West Coast Lumbermens Association, Seattle, Wash.
Western Association of Retail Cigar Dealers, Seattle, Wash.
Western Association of Rolled Steel Consumers, Chicago, Ill.
Western Association of Shoe Wholesalers, Chicago, Ill.
Western Canners Association, Chillicothe, Ohio.
Western Coal Producers Association, Billings, Mont.
Western Fruit Jobbers Association of America, Denver, Colo.
Western Grain Dealers Association, Des Moines, Iowa.
Western Ice Manufacturers Association, Kansas City, Mo.
Western Leaf Tobacco Merchants Credit Association, Milwaukee, Wis.
Western Magnesite Association, San Francisco, Cal.
Western Paper Box Manufacturers Association, Des Moines, Iowa.
Western Paper Merchants Association, c/o Midland Paper Co., Chicago, Ill.
Western Paving Brick Manufacturing Association, Kansas City, Mo.
Western Petroleum Refiners Association, Kansas City, Mo.
Western Pine Manufacturers Association, Portland, Ore.
Western Red Cedar Association, Spokane, Wash.
Western Retail Implement, Vehicle and Hardware Association, Abilene, Kan.
Western Retail Lumbermens Association, Spokane, Wash.

White Cedar Shingle Manufacturing Association, Oshkosh, Wis.
White Pine Bureau, St. Paul, Minn.
Wholesale Coal Trade Association of New York, 1 Broadway, New York.
Wholesale Saddlery Association of the United States, 30 N. La Salle, St., Chicago, Ill.
Wholesale Sash and Door Association, 1210 Steger Bldg., Chicago, Ill.
Wholesale Shoe League, The, 127 Duane St., New York.
Wholesale Stationers Association of the United States, Brooklyn, N. Y.
Wisconsin Paper Merchants Association, Racine, Wis.
Womens Wear Manufacturers Association, 31 Union Sq., New York.
Wool Stock Graders Association, 200 Fifth Ave., New York.
Woolen and Dress Goods Merchants Association, 31 Union Sq., New York.
Wrapping Paper Manufacturers Service Bureau, 2 Rector St., New York.
Writing Paper Manufacturers Association, 18 E. 41st St., New York.
Writing Tablet Manufacturers Association, 41 Park Row, New York.

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